Public Aid (Page 9)

Mine Dividends '35 (Page 16)

THE FINANCIAL POST

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The Nation's Business

Communists Busy Stirring Up Trouble

No Final Drafts of New Deal Acts Available

It Is Tentative and May Not Be Fully Implemented

Mr. Stevens's Desperate Bid for Power

Communists At Work Again

THE Regina strike episode was an ill-deserved piece of political bad luck for Prime Minister Bennett. Whatever action he had taken, whether to encourage or to restrain the professionally-led, miniature Communist revolt, would have been wrong in the minds of the extreme left-wingers of Canada.

There is little Canadianism in the carefully concocted plans of foreign-sponsored, and in some cases, foreign-paid agitators to promote trouble among Canadian unemployed. The Canadians of employable age who have been able to obtain work throughout the depression have strained themselves to keep other and less fortunate Canadians from suffering. There has been a sharing of income through taxation that has borne heavily on every working citizen. To the Reds who lead the guerilla war against the Canadian social system such sacrifices mean nothing. They demand more and more, knowing that if they can break down the people's morale and the nation's credit they can easily precipitate a bloody revolution here as in Russia.

Every good citizen must distinguish carefully between his sympathy for the unfortunate and his susceptibility to the propaganda of undercover agents of Revolution.

The Vancouver to Regina trek enabled Canadians to see two or three of our newspapers and half a dozen of our leading politicians in their true light as spokesmen for Communism and foes of Canadianism.

* * *

New Dealing In the Dark

OTTAWA has a curious arrangement regarding the printing of acts of Parliament. For the small fee of $2 or thereabouts it is possible to arrange with the King's Printer to have copies of all bills introduced into Parliament sent to one as they appear. As they are amended from time to time, pass to the Senate, or various committees, come back to the Commons, and so on, new and revised copies are sent out. In this way, business men and other interested parties can follow the bills right up to the last stage when they are finally passed by both Houses and assented to by the governor-general. At that point Ottawa's service falls down.

If there are numerous last minute changes in a bill, made in the course of the process of shuttling back and forth between Senate and Commons, the bill is not reprinted for weeks. Business men must obtain a copy of the final act by applying to one of the clerks of Parliament and paying a fee for a certified copy or else wait until the act comes before one of the departments of government, which will have it printed and arrange to keep a few copies on hand for distribution to enquirers.

* * *

AS A RESULT of this missing link in the arrangements, business men are very much in the dark as to the final terms of most of the New Deal legislation. By studying carefully all the votes and proceedings and making notations on their own original drafts of the legislation they can arrive at a fair approximation of the position.

Surely the Dominion government can arrange for the printing bureau to print final drafts of all legislation to be sent out to those who subscribe for the bills and proceedings of Parliament.

* * *

THE matter is probably not one of great importance at the present time because very little of the legislation is likely to become effective before the election. And after the election there will be a new government in power. It may be a Liberal government. It may be a Conservative government. Even in the latter case it will be a government so altered in personnel that it may not feel committed to carry out all of the legislation that has been passed, at least not without drastic revision in many respects. So business men will be justified if they decide not to get excited about the possible effect of the New Deal on their enterprises; if instead they wait to see what will happen to it after the election.

It will take at least a year, for instance, to get unemployment in-

(Continued on page 2, col. 3)

NEWSPRINT MILL MERGERS NOT LIKELY

Sale of Great Lakes Holds Forth Interesting Possibilities

TONNAGE AND PRICE

Allocation of Business and Price in 1936 Still the Major Problems to be Solved

From Our Own Correspondent

MONTREAL. — Reports of mergers, consolidations and financial reorganizations of newsprint companies in difficulties have been fairly general in the past few weeks, but a survey of the situation shows that aside from Great Lakes Paper Co., whose property will shortly be put up for public auction, there is no likelihood of any major corporate development between now and the end of the year.

No solution has been found for the newsprint industry's troubles. Production and consumption to date have been encouraging, but the low price of newsprint and the unequal distribution of tonnage between the operators still constitute the two greatest unsolved problems.

Price Bros. Affairs Unsettled

Attention has been turned to the situation of Price Bros. and Co.'s affairs since the return of Hon. Gordon Scott from England. A few days after his arrival it was announced that Bowaters Paper Mills had made a new offer which provided for the wiping out of arrears of interest on the first mortgage bonds through the issuance of more bonds.

The Bondholders' Protective Committee for Price Bros. has taken the firm stand that the arrears of interest, now amounting to more than $2 millions, must be paid in cash. The two previous proposals made such provision. As far as can be learned the Committee has no intention of backing down from its stand and will not be likely to accept Bowaters' plan.

Abitibi Pressure Lifting

There also has been a good deal of talk about the reorganization of Abitibi and Great Lakes Paper. There has lately been considerable pressure on Abitibi but this pressure has been relieved by the reopening of the Pine Falls mill which had been closed down for more than two years. Preliminary negotiations have been going on between the bondholders' committee, the trustee, and a group interested in the reorganization of the enterprise.

Great Lakes Sale Important

The sale of the Great Lakes property in a few weeks time will provide an interesting example of whether or not new capital can be attracted to the industry at this time. The Great Lakes unit is relatively modern; the mill has two machines; pulpwood supply is adequate and in close proximity to the mill; while shipping costs to the market compare favorably with other mills in the same area. There is a $10 million bond issue on the property. With the co-operation of the bondholders' committee these bonds could be used to bid in the property, but still considerable cash will be required to place the company's working capital in a sound position.

Will Hearst Buy?

One serious angle to the enforced sale of the Great Lakes property from the point of view of other Canadian manufacturers, is the possibility of Hearst securing control. It is well known that Hearst is anxious to secure one or more newsprint properties in Canada. He already has (or did have until lately) a form of agreement with the Donohue Bros., who are operating the Murray Bay mill, formerly under control of Abitibi.

The Great Lakes mill would fit in with the Hearst scheme, as it would be in a position to supply the Hearst papers in the mid-west. It might further be used as a weapon against those manufacturers who have been strongly advocating a price increase.

Tonnage and Price

While corporate developments are not likely to be outstanding, there are still a number of situations which might arise to disturb the relatively even tenor of affairs. The price situation has remained relatively stable, but it is not as sound as might be desired. Little would be needed to upset the equilibrium of the market.

The tonnage situation is in need of correction. While the volume of business handled this year compares favorably with that of a year ago, the tonnage is still unevenly distributed. Consequently the possibility of a price increase for newsprint paper is still in the future, or at least until such time as the short operators are satisfied that they are securing what they consider to be a fair share of the market.

Must Satisfy "Shorts"

It will be recalled that it was this condition which prevented a price increase last fall when St. Lawrence Paper Mills made contracts calling for deliveries in 1935 at the old price. This step effectively blocked the move of other producers to secure a better price for their product.

The need for a price increase is even greater today than it was a year ago. Woods costs, labor costs, etc., have all risen and the increased volume has not done much more than offset the increased costs of manufacturing.

U.S. Tourist Stream Pouring Into Canada Equals 1929 Volume

Capacity Business Reported By Hotels, Restaurants and Resorts

GASOLINE SALE UP

Muskoka Association Protests Against High Pressure Activities of Tourist Bureau

Tourists from the United States are pouring into Canada again. Ontario claims that it gets 75 per cent of the traffic crossing the border in motor cars but when that province has an increase others follow. It is significant, therefore, that Ontario is having big business from pleasure-seekers once again.

Jack Hambleton, director of the Travel Publicity Bureau of the Ontario government, told The Financial Post that the improvement applies to practically all points. Summer hotels and tourists resorts everywhere report excellent business. Bookings for the rest of the season are far ahead of what has been experienced at any time since 1929.

"On July 4," said Mr. Hambleton, "Windsor had the largest crowd it has ever had. It exceeded 1929, and ferries, underground railway and the international bridge all did a rushing business.

Bookings Gain 50 per cent

"At Niagara Falls, tourists coming to the Canadian side exceeded any day since 1929 on both July 1 and July 4. I have travelled extensively in every part of Ontario except Lake of the Woods this summer and everywhere I get the same reports of increasing business. And letters from the Lake of the Woods area tell me that it is no exception.

"Automobile traffic is 10 per cent higher than in 1934 so far and we believe that the railways will have a proportionate increase. Usually both get increases in tourist traffic at the same time. On July 1 Canada Steamship Lines ran bigger crowds to Niagara Falls than at any time since 1929. I have not found a tourist camp in Ontario that does not report its bookings 50 per cent better than in 1934."

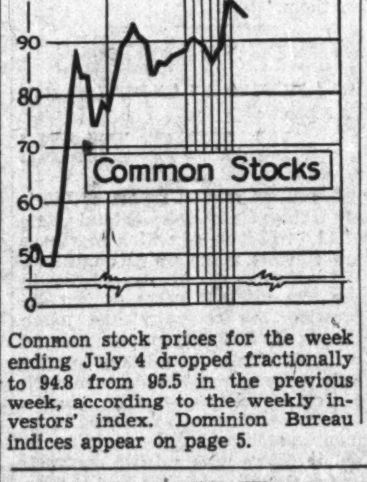
Prospects Excellent

One proprietor of a Muskoka hotel told The Financial Post that his hotel has had to date 73 per cent more business than in 1934. His bookings for the season are already 50 per cent higher than in 1934. Other hotels state that even when they are not booked to capacity night-time generally brings enough arrivals to fill them and sometimes to spill over.

The big business seems likely to keep up. Mr. Hambleton says that where 400 direct enquiries were last year considered a good day's grist, the other day saw 2,250 enquiries and nearly all came from the United States. Ontario people seldom write in because most of them have already their favorite resorts and domestic travel gains are not shown at Queen's Park.

This is good business not only for tourist camps and resorts and summer hotels and restaurants but for those who supply them. It is keeping gasoline stations of principal

(Continued on page 2, col. 7)



Common stock prices for the week ending July 4 dropped fractionally to 94.8 from 95.5 in the previous week, according to the weekly investors' index. Dominion Bureau indices appear on page 5.

Canadian Oil Cos. Adds New Unit

Canadian Oil Companies has just completed its new refinery unit at Petrolia, Ont., at a cost of $450,000. This consists of cracking stills, a water cooler, vapor recovery plant, re-run unit and treaters. It doubles the capacity of the refinery.

Plant No. 2, as it is called, took eight months to build and is reported to be running already at full capacity though opened only on June 25. There are storage facilities for 450,000 barrels underground and 150,000 above.

NEW MERGERS SEEK BLESSING FROM OTTAWA

Ontario Plumbers Hasten to Organize Under Trade Commission

OTHERS MAY FOLLOW

From Our Own Correspondent

OTTAWA. — Various industrial groups are already reported preparing to take advantage of the new Trade and Industrial Commission. Frowned on in the past as savoring of combines, and sometimes even investigated by Royal Commission, these groups now seek to co-operate more closely under a benevolent government commission.

Ottawa has been advised that plumbers' organizations of Ontario propose to present a scheme or combine arrangement for approval. Action cannot be taken, of course, until the statute comes into operation Oct. 1 next.

Get Approval

With the proclamation of the act, it will be possible for industrial organizations to come to Ottawa with a scheme to form a combine and, if the Commission endorses it as being in the public interest, the government may approve it by order-in-council. Those most familiar with such matters believe that a large number of applications will be made.

The industries most likely to take advantage of the act are cited as follows: radio tubes, rubber footwear, rubber tires, bricks, piping and tubes, cement, coal and coke, all electrical appliances, the chemical industries, nickel, gasoline and canning.

—Drawn for The Financial Post by R. Kaell.

SAYING GOOD-BY TO MOTHER-IN-LAW

TAXPAYER (sotto voce): "Don't hurry back on my account."

MINING CORP. SEEN WOOING U. K. CAPITAL

Behind Terse Announcement May Be Significant News

As the result of the introduction of British capital into the company, Mining Corporation, outstanding Canadian development and holding company announces that Charles McCrea, Minister of Mines for Ontario in the Henry Cabinet, and G. C. McCullagh, partner in the firm of R. P. Barret and Co. have been appointed to the board of directors. W. R. P. Parker, K.C., Toronto, has also been elected in the place of his late partner G. M. Clarke K.C.

Back of the terse official announcement is believed to be something of considerable import to Canadian mining, namely the possibility of introducing English capital in a larger way into Canadian mining. It is known that Mining Corp. already has many English shareholders, and the company is well regarded in the old country.

The "new interests" mentioned in the official announcement are The

(Continued on page 2, col. 1)

Highlights

1 in 5

Two million Canadians receiving public aid provide national financial problem. Situation demands complete investigation argues Charlotte Whitton of Canadian Council of Family Welfare. Page 9

Insurance and Inflation

Under most likely type of inflation to develop in Canada see benefits offsetting disadvantages for life insurance policyholder. Seventh article in a series on inflation. Page 9

Private Brands

Private brands of chain organizations eating into sales of nationally advertised goods. But latter still lead in Canada. Page 7

Mine Centre

Early in century, Mine Centre was given its imposing name. Recent developments may justify it with at least one or two producers in sight. A survey from the actual field. Page 14

Investors' Index

Standard Fuel inventories	4
Gatineau income larger	4
Montreal Power output	4
Dom.-Scottish earnings	8
N.W. Util. redeems bonds	8
B.C. Packers reorganization	8
Sakoose sells assets	16

INDUSTRIALS, UTILITIES, ETC.

Abitibi	1	Int. Bronze	11
Alexandra Apts.	8	Int. Nickel	14
Bank of Canada	4	Lloyd Refineries	11
Br. Emp. Trust	3, 5	Laurentian	4
B. C. Packers	8	Mexican L. & P.	15
Canada Dry	8	Montreal Pwr.	4
Candn. T. S. R.	8	Moirs Ltd.	5
Canada Bread	11	Nanaimo Duncan	5
Calgary Pwr.	11	N'western Util.	8
Canada Life	10	Oshawa Bldgs.	15
Candn. Gypsum	15	P. T. Legare	5
Canadian Oil	1	Pt. Royal P. & P.	4
Canada Bud	5	Price Bros.	1
Dom.-Scottish	8, 15	Quinte & Trent	15
Dominion Coal	2	Restigouche	11
Dufferin Const.	2	Shawinigan	11
Dom. Motors	13, 15	Sask. Mutual	10
English Elec.	2	Simpsons Ltd.	1
Ford	2	Stand. Fuel	4
Gt. Lakes Pap.	1, 13	Traders Finance	11
Gatineau	4	Victoria Manor	8
Home Ins.	10	Wentw'th Radio	12
Intl. Carbo-Ice	5	West. Homes	2, 15
Inter. P. & P.	5	Vanc. Kraft	5

MINES AND OILS

Austin Rouyn	15	Meridian	14
Bilmac	15	McMillan	14
Base Metals	15	Macassa	15
B. R. X.	14	New Gold. Rose	15
Bousquet	14	Nicola	14
B. C. Silver	14	N. S. Gold	16
Brit.-Dominion	16	Nickel	16
Cartier Malartic	11	Pend Oreille	15
Consol. M. & S.	14	Pioneer	14
Central Pat.	15	Premier	14
Duparquet	15	Paymaster	11
Dynes-Johnson	16	R. Lake G. Shore	15
Granby	14	Rosedale	14
Gunnar	14	Rickard Ramore	11
Gilmour	16	Renfrew	16
Gold Eagle	16	Reno	16
Hudson Bay	14	Sakoose	16
Int. Nickel	14	South Shore	11
Jowsey Island	14	Seal Harbor	14
J. M. Consol.	14	Selukwe	14
Kootenay Belle	15	Sebakwe	14
Mud Lake	16	Wendigo	16
Mining Corp.	1, 14	Ymir Yank. Girl	14

QUOTATIONS

Bonds	12	Stocks	12
Grain	13	Mines	14
Foreign Exchange	4		

REGULAR DEPARTMENTS

Editorial	6
Business	7
Enquiries	11
Insurance	10
Banking	4
Grain	13
Mining	14-16

Grain Business Halts Till Government Plan Transformed to Action

Western Canada Awaits Administration of New Grain Act Before Making Forecasts — See Political Menace in Fixing Minimum Wheat Price

ELEVATOR CONFISCATION UNLIKELY

From Our Own Correspondent

WINNIPEG.—Canada's grain business virtually comes to a standstill until operating position under the new grain act is clarified. The future of the largest single industry in this country is vitally affected.

It is impossible to forecast from examination of the new legislation how the business of moving wheat will be carried on this year. Administration will be a more important factor than legislation. Administrative policies will depend not only on the personnel of the Grain Board to be appointed but also on what steps may be authorized by the Government. And what farmers do in marketing their wheat and what buyers and traders are willing to do will also be of importance.

It is quite possible under the legislation passed that the government board will have the buying and selling of the whole wheat crop grown this year. It is also possible that it will take on no new wheat, and that its functions will be confined to disposing stocks and contracts taken over from Canadian Co-operative Wheat Producers Ltd.

One of the critical points, but not the only one, is the establishment of a minimum price to be paid to producers. There seemed to be a general idea at Ottawa that the Argentine minimum price plan was being followed. But the essential feature of the Argentine plan was not adopted. The latter called for a fixed minimum price in Argentine currency. This is coupled with exchange control which has the effect of adjusting the value of the peso in exchange transactions to the value of wheat. The guaranteed price was intended to put no burden on the treasury of the country. Whether it really worked well, or whether it was coincidence that it appeared to do so is difficult to determine, but in any case Canada is following no such policy.

Minimum Price

Will the new board and the Government regard the minimum price to be fixed simply as a measure of insurance to Western farmers of some return on their crops, or will they regard it as something that may influence international wheat values?

In one case they will make it as low as is consistent with the absolute necessities of wheat farmers, in the other they will make it as high as they dare having regard to the risk of loss to the Government.

There will be pre-election pressure to make it high, which emphasizes one of the difficulties of getting the board satisfactorily and immediately under way. New crop operations may have to be planned

(Continued on page 13)

Political Eavesdropping Covers Ottawa-Washington

As the country awaits news of the election arrangements, political gossips speculate upon possible turns in the tide. Here are some things eavesdroppers heard this week:

Mr. King's statement on railway amalgamation was more significant than it looked. It only closed the door on a corporate merger in which a publicly-owned C.N.R. would disappear. This leaves room for a merger under public ownership or an operating consolidation.

Only three or four of Mr. Bennett's cabinet want to run again. Most of the others are seeking judgeships or senatorships.

The Stevens plunge is made late. Mr. Stevens is still a nationally popular figure but less so than six months ago.

Back of him are some of the more politically-minded officers of associations professing to speak for retail merchants.

The leader of the new group did not announce himself until after he had made several earnest attempts to link up with the move for national government.

The new Stevens party is likely to draw most of its strength from discontents among old-line Conservatives. By thus splitting his party, Mr. Stevens has queered himself with his former associates for a long time.

The "Stevens Clubs" that are to be organized will really be off-shoots of local retail merchants' associations. Through them, attacks will be made on the department stores, chain stores and mail order houses.

President Roosevelt is the object of a particularly ugly whispering campaign in the United States, with pointed references being made to his physical and mental ability to carry on.

PORT RULING BLOCKS PACT WITH STATES

Direct Shipment of Preferential Goods Hits American Ports

REMOVAL SCOUTED

Violent Opposition to Canadian Cattle—Lumber Conceded Best Chance

From Our Own Correspondent

OTTAWA.—With the reciprocity negotiations still hanging fire, hope of completing an agreement between the United States and Canada before the general election is gradually receding.

For more than a month, Canadian negotiators have been holding themselves in readiness to go to Washington to discuss trade details with President Roosevelt's representatives. The invitation, however, has not arrived and there is still no indication as to when it will be forthcoming.

Port Ruling Blocks

One of the chief obstacles in the way of an agreement is understood to be the provision of the Customs Tariff Act requiring all goods entering Canada under the Preferential and Intermediate tariffs to come direct to Canadian ports. It is conceded that this law has diverted a very great amount of trade from U.S. Atlantic ports to Halifax, Saint John, Quebec and Montreal. In particular it has injured New York. It is also conceded that from the political point of view any change in the statute is out of the question.

Liberals Tied Too

So far as the reciprocity negotiations are concerned there is every reason to believe that post-election negotiations even under Liberal auspices could not remove this barrier to progress. It is the fact that the statutory changes compelling direct shipment under the British Preference, and Intermediate tariffs were instituted by Liberal ministers and are a part of Liberal policy.

U.S. Ports Lose

Since 1930, all tariffs have been greatly increased and the spreads between them, also, have been radically widened. It is contended today, and not disputed at Ottawa, that the direct shipment provisions practically exclude United States Atlantic ports from any substantial part of Canada's import trade under these tariffs.

Yet to withdraw these amendments would have most unfavorable political reaction in the Maritime provinces and in Quebec. No party has given any evidence of even considering doing so.

U.S. Cattlemen Kick

From Our Own Correspondent

WASHINGTON, D.C.—Increasing protests from agricultural interests in the U.S. to any trade concessions to Canada are delaying present treaty negotiations.

There are other troubles. U.S. lake and rail interests are raising the old cry of alleged discrimination by Canadian railways aimed to encourage shipment of U.S. grain through Canada. These, however, are minor factors beside the yelps from western cattlemen over proposed fixing of a quota of 250,000 head a year for Canadian lightweight cattle, under 700 pounds, and reducing the duty from the present 2½ cents a pound to 1½ cents. Against their protests is balanced the desire of western U.S. ranchers who want the Canadian stockers for feeding to ship to the Chicago packers. The U.S. cattlemen make the point that, under U.S. favored nation treaty with Mexico, the same concessions will have to be given to Mexican lightweight cattle which have been coming in through Texas, Arizona, New Mexico, Southern California in larger numbers each year.

Nothing further can be achieved officially by the Dominion legation until the American "country" committee presents its "desiderata"—the list of what it expects from Canada.

Unofficial talks, however, are going forward. It is pretty well settled that the Canadian lumbermen are going to get a cut of $2 off the combined U.S. tariff of $1 and excise tax of $3 per 1,000 board feet. This will be of considerable help to the mills of Ontario, Manitoba, Saskatchewan and Alberta but of no particular value to British Columbia spruce mills, the largest exporters. In return, Canada will probably cut the present 25 per cent tax on American dressed hardwoods, amounting to between $7 and $8 per 1,000 board feet, to bring it into reciprocal relation with the U.S. reduction.

Simpson's Sales for June Higher Than for 3 Years

Simpson's, Ltd., reports better June sales this year than in 1934, 1933 or 1932. This result was attained despite three weeks of heavy, rainy weather in the first part of the month. Just now the stores of the company are experiencing the stimulation of a great deal of postponed summer buying.

The page advertisements in which Simpson's Ltd. offered to co-operate with Canadian manufacturers during the slack season of July by sales at cost have produced gratifying results, The Financial Post is informed. Many manufacturers have by means of these orders been able to keep their staffs fully employed.

The sales of Simpson's have, of course, included these special consignments only as part of total sales. July results should be favorable to the company. It still remains true, however, that the last four months are the most important with any Canadian departmental store in trying to estimate the results of a year.

UNDER WORLD HIGH FINANCE AVOIDING LAW

Escape Regulations By Operating as Bogus Money Lenders

NOT INSPECTED

Lend Money on Saleable Collateral Which is Sold, Lenders Decamping With Proceeds

Fly-by-night gentry from the United States are finding a new way of getting at the "sucker's" dollar. They are doing this without bothering the Ontario Securities Commission or finding it necessary to get a license to sell. John M. Godfrey's active staff has taught them to avoid in great part anything that falls under his jurisdiction.

Some of them have found "the way around" in the Money Lenders Act. They can qualify as money lenders by paying a license fee of about $5 each and then they go ahead without inspection.

Money Lenders

Such person or firm will advertise that he has money to loan. One who answers the advertisement is asked if he has securities for collateral. If he has the securities and they are saleable he is promised a loan of 25, 30, 40 or 50 per cent of the market price or even more. He is asked to leave the securities and told to come back later in the day. In the meantime, in cases reported to the authorities, the stocks have been sold and when the borrower comes back he is given his cheque. The game can sometimes proceed for several months before discovery and the perpetrators of this fraud trust to their perspicacity to vanish just before the heavy arm of the law reaches the scene of their misdeeds.

Act Needs Amending

It is apparent that the Money Lenders Act needs attention. It does not apply to pawn brokers who come under a separate act, or to insurance and loan corporations, or to chartered banks, or to any persons carrying on a business which has not the lending of money as its primary object. It does not apply to solicitors or trustees investing money for others; all these are attended to under strict acts.

The act provides that every money lender other than these shall register with the registrar of loan corporations for Ontario. The latter keeps a register of names of such persons or the names under which they do business and their addresses. The registration lasts a year and can be renewed each June 30. No corporation can register as a money lender unless its head office is in Ontario and the director or members of the governing board reside in Ontario.

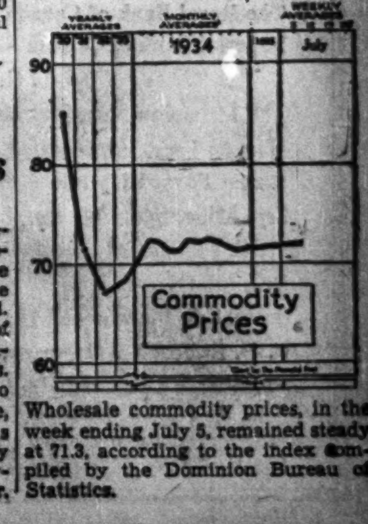
When the Horse is Stolen

The remedies of this act are mainly punitive; in other words, they permit heavy penalties to be exacted if the offender is caught. The fraud here described is not foreseen by the act. The act is intended mainly to prevent lenders exacting unreasonable sums for lending. For example, the borrower can ask for a copy of any document relating to the transaction if he pays the cost of making the copy. Dishonesty, misleading statements, the withholding of vital information are all punishable under this act and courts may revise contracts which bear too heavily on the borrower.

To Get Mobile Crooks

There is no inspection, however, and only complaint of a victim brings the law into action. It becomes apparent that when a so-called money lender can induce a borrower to deposit security of greater value than the loan this act is of no use against a mobile crook who can be here today and somewhere else a long way off tomorrow. Under this scheme there is no apparent crime until a borrower comes with the money and demands his securities.

When a would-be borrower says he can get the same loan from a bank, the legalized money lender pro tem quickly offers a larger loan than the bank is likely to give. What does he care as he intends to sell the securities and keep the balance over the loan total? Borrowers under circumstances such as outlined would do well to make sure that the collateral they gave is safe.



Wholesale commodity prices, in the week ending July 5, remained steady at 71.3, according to the index compiled by the Dominion Bureau of Statistics.

EATON'S *Panamas are cool and correct*

Panama hats still retain an important place with style-setting men. We invite you to drop into EATON'S new *air-cooled* Men's Furnishings Department and select your panama. You will look cool and well dressed in one from our extensive range.

Finely woven and correctly styled. Sizes 6¾ to 7½. ... ... Each **4.75**

MAIN FLOOR—QUEEN STREET

THE T. EATON C° LIMITED

The Nation's Business

(Continued from page 1)

surance working; it may take most of that period to set up an organization for the Federal Trade and Industry Commission. The enforcement of the wages and hours of labor bills may be dependent in very large measure upon court decisions.

* * *

THERE is in fact a good deal of merit in the implication of a headline in an American paper which read "Canada Gets Tentative New Deal." For the New Deal is tentative and when its application and enforcement become matters of practical politics there may be radical revisions. This will be particularly true if a Liberal administration comes into power. Various spokesmen for that party have indicated that they consider the balancing of the national budget to be a primary desideratum. It should be obvious to all that Canada cannot have its New Deal intact and a balanced budget as well.

The legislation that passed Parliament at this session was extensive and far-reaching. In fact, so numerous were the new acts that even the Government had difficulty keeping up with its own creations. In the speech from the throne that closed the session, no endeavor was made to review the legislation in detail. Some of the most important measures did not even rate an indirect mention.

* * *

THE new government will have important problems to face; problems that were approached by this government on several occasions and which were the subject of numerous public pronouncements by Mr. Bennett but which it was unable to solve, either because of pressure of emergency matters or for other reasons. Among these primary problems are these:

1. The revision of Canada's constitution, to permit a reduction in the paraphernalia of government;
2. The solution of the financial problems of the provinces. These problems are partly a phase of the constitutional problem and partly a phase of the problem of national debt conversion;
3. The balancing of the federal budget; and
4. The solution of the railway problem.

* * *

Mr. Stevens Makes the Plunge

JUDGED in historical perspective if not in the light of the existing political situation, the new Stevens political party will be an ill-starred venture. The record, since 1867, contains detailed accounts of many attempts to launch new parties but all of them ended in failure. Undoubtedly the Stevens venture is without precedent, but this is not likely to alter the ultimate result.

In the past, third parties have invariably sprung from the rural sections of the country and, in addition, have always been off-shoots of the then opposition. It has always been a case of a division in the opposition ranks in the face of an unpopular government. This was true of the Patrons of Industry as it was true of the Progressive movement in 1921. The present C. C. F. party is but the rump of the Progressive revolt and for the reason that it is an inconsequential minority in the House of Commons has contrived to shield from the general public the undoubted fact that its limited numbers are hopelessly divided on fundamentals.

WITH Mr. Stevens, the case is different. His party cannot escape being an off-shoot of the Conservative party which has been in office since 1930 and which many voters will want to saddle with the blame for all the conditions the world has faced since then. While the new reform party may and probably will cut into the Liberal and C. C. F. vote to some extent, its chief support will derive from the radical wing of the Conservative party and will be most noticeable in the industrial areas.

To this, however, there is one qualification. It is generally believed that Mr. Stevens proposes to run his party on a Price Spreads programme of reform. Actually there will be a broad reform programme going far beyond the issues set forth in the Price Spreads report. Undoubtedly, Mr. Stevens will seize upon the monetary issue and proclaim a policy of social credit which may appeal to a large body of electors who believe the solution of present day problems is to be found in one or other form of inflation.

* * *

IN ANY event, the competition on the extreme political left will be so intense that the new reformers cannot hope to obtain more than a handful of seats. At best, the greatest effect they can have on the general election is to divide the Conservative vote and enable Liberals to win seats which, ordinarily, they would have no right to win.

Apart from this probable effect, it may be said that Mr. Stevens by his action has committed political suicide. In sponsoring a party which must injure Conservative chances in scores of constituencies he will surely forfeit any remaining goodwill in that quarter.

BATTLE JOINED TIRE COMPANIES, PRICES SLASHED

Executives Deny Price War, But Investors Await Results

Principal tire and rubber companies of Canada on July 4 made a reduction of from five to seven per cent in tire prices in Ontario and Quebec. Special consideration is also being given to the advisability of reductions in other areas where competitive conditions are likely. A short time ago prices of third line tires of these companies were reduced to meet cut-rate products intended for various retailers who sold tires only as a side-line. Reductions are now being made all along the line.

C. H. Carlisle, president of Goodyear Tire & Rubber Co. of Canada, and J. Erle Jones, assist. general sales manager of Dunlop Tire & Rubber Co. of Canada both deny that a price war is on. It had been reported that Dunlop was under-selling others. The rumor doubtless originated in the fact that the Dunlop firm withdrew from membership in the Rubber Association in May. The firm claims, however, that it has not reduced prices and that its prices on first line tires were actually 10 per cent higher than the list prices of association members.

Merchandisers Get Busy

A deciding factor in the situation is believed to be the business which tire companies are able to get in large blocks from departmental stores and oil companies if they make to specifications and at prices which enable these institutions to sell at a profit. The big tire companies do not object to a slight advantage in favor of these products as they believe that the service which their own dealers can give customers is superior. But they cannot forget that in the United States the industry is only beginning to recover from a most grueling price war with mail order, departmental store and chain stores and oil company sales. In the United States as in Canada the large companies depend most on branded products and their willingness to stand behind the quality.

Statements of executives of Canadian companies do not entirely end the uneasiness of investors in stocks of these companies. Their view is that if price competition once starts it is difficult to limit or control its ultimate effects despite the present strong standing of the leading tire companies.

New Tires Last Longer

There are some companies not so strong financially which have to accept business offered by large merchandisers. It may be that the association members may have reduced prices sufficiently so that these people cannot sell at prices that permit cut rates of importance. That is the situation which investors are watching. The situation is a little complicated by the fact that some of the association members make for large merchandisers such as departmental stores and oil companies. It is known that tires were slow in moving off dealers' shelves in most of the first half of 1935. Tire companies stated that this was only one of those periodic lulls which could be expected. In the last year or two a lot of new motor cars have been sold and they were outfitted with tires. The replacement business on these has not yet begun as tires today last much longer than they used to and the sale of new motor cars continues merrily. The tires on these are sold direct by the tire companies to the manufacturers and this business does not appear in transactions over counters of dealers.

One manufacturer claims that the reductions in Canada are simply a precautionary measure against competition from the United States where warfare drove tire prices very low. The import figures from Ottawa do not confirm his statement that this is becoming a problem of importance. The chief companies in Canada are subsidiaries or affiliates of United States companies. They have independent programmes but they do not compete with each other in Canada or the United States.

"Our dealers must be protected," said one executive in what appears to be frank explanation of the lower prices. "We do not propose to allow other merchandisers to get the edge on them."

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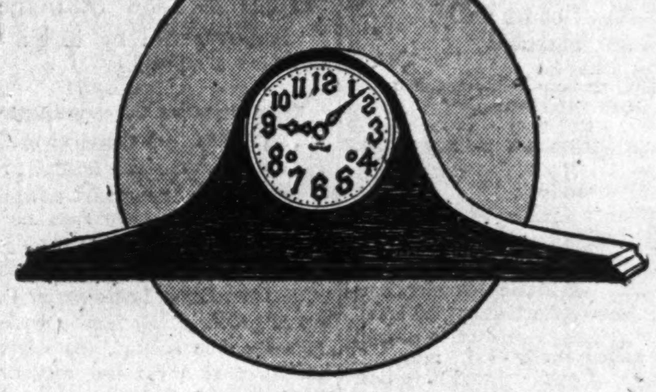

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MINING CORP. SEEN WOOING U. K. CAPITAL

(Continued from page 1)

Financial Post learns represented by Hon. O. Balfour, nephew of the late Earl of Balfour, and a member of the firm of Balfour Bordman and Co., London merchant bankers. Mr. Balfour is already a director of Mining Corp.

While the exact amount of the new funds is not known, The Post learns on good authority that it is of considerable proportions, with more to come if Mining Corp. gives a good account of itself.

A Change

Thus, it is believed, English capital, frightened from Canadian mining ventures by a deplorable series of "wildcats," may get a taste of Canadian mining under better auspices than the usual run of promotions peddled in that country. While English capital has taken advantage of such established producers as Lake Shore, Dome, etc. the more speculative capital, wishing higher yields and the maximum of safety, has in the past turned largely to the South African fields. Those close to the English scene state that the general tendency in that country is to view younger companies, where higher yields are to be expected, with suspicion.

The announcement of Mining Corp. was generally interpreted as indicating that this company would form the medium for a change of view. Enjoying excellent management, the company is seen as a possible contender in the minds of the English investor with the famed goldfields of South Africa.

While Mining Corp. has paid no dividends since Dec. 31, 1929, it had, prior to that time, paid nearly $8 millions in dividends, largely as a result of the company's operations in the Cobalt field. Today the company has a substantial interest in many of the younger Canadian producers, such as McKenzie Red Lake. Ashley Gold Mining Corp. Matachewan producer is a subsidiary of Mining Corp. In addition, the company held, as at Dec. 31, 1934, 93,687 shares in Hudson Bay Mining & Smelting Co.

English Electric Gets Large Lighting Order

English Electric Co. of Canada has started a new division to manufacture Bar-lux tubular lamps and fittings. Its first contract in Canada is understood to be for the new head office building of Imperial Bank of Canada at Toronto.

Dominion Coal Dividend Action Expected Soon

From Our Own Correspondent

MONTREAL.—A decision in respect to the payment of accumulated dividend on the new preferred shares of Dominion Coal Co. is expected to be made in the next week or two. Under the plan of financial reorganization, approved by the shareholders earlier in the year, the old preferred stock was converted into shares of $25 par value carrying a cumulative dividend of 6 per cent from October 1, 1934. Thus the holder of one share of the old 7 per cent preferred $100 par value, receives 8 shares of $25 par value each under the new arrangement. The arrears of dividends on the old stock, amounting to $77 a share on February 2, 1935, were wiped out by being capitalized.

The cumulated dividend on the new stock at the end of last month totalled $1.12 a share. There is no indication at the moment as to what action the directors will take in paying all the arrears. They may place the stock on a half-yearly dividend basis, which would mean a payment of 75 cents a share at this time. If the dividend is to be paid quarterly, then the shareholders would likely receive the full amount.

Dufferin Construction Gets Ontario Contracts

Dufferin Construction Co. has received two contracts, each for 30 miles of roadwork on the Dyment-Vermilion Bay link of the Trans-Canada highway.

The Ontario government gave seven contracts for a total of $2.6 millions and Dufferin Construction Co. proportion would be about $935,481 as there are 165 miles of roadwork to do. Hon. Peter Heenan, minister of Northern development, states that the awards are the lowest in the history of the department.

Obituary

John Quinlan, widely-known contractor of Montreal, died July 4.

Charles Acland, one of the original seven members of the famous firm of Burroughs and Watts, British billiard table manufacturers, died in Toronto on July 7.

J. M. Smith, secretary of the Brazilian Traction Co. for a number of years, died in Toronto on July 8 in his 77th year.

Richard O. Wade, widely known chartered accountant and former president of the Dominion Association of Chartered Accountants, died in Toronto on July 7.

REPORT LOWER COTTON SALES CURRENT YEAR

Unseasonable Weather Cuts Down Volume of Summer Trade

From Our Own Correspondent

MONTREAL. — Primary cotton textile mills report a definite slowing down of operations and sales over the past six month. The reasons attributed to this condition are many, but primarily are fourfold—unseasonable weather for the summer trade, lag in buying power, uncertainty over U.S. cotton crop and imports.

It will be recalled that in 1933-34 conditions in the primary cotton textile manufactures were well above average. The volume of production and sales recorded a substantial increase, and operators were able to report big gains in earnings to their shareholders.

Weather Holds Back Sales

The change in conditions has been gradual over the past year, but analysis of the returns for one of the major producers shows the start of the falling off in business commenced with May a year ago. During the summer and fall months of 1934 operations were being curtailed in order to hold down inventories. Since the beginning of the current year, conditions have led to further restriction in operations owing to unseasonable weather earlier in the year.

The retail trade had stocked up with cotton goods in anticipation of a good summer demand. Unfortunately the weather was against them. Cold and rainy days held up the demand for seasonable lines, resulting in large carryover and dumping of goods.

Buying Power Lags

Though the weather has been primarily responsible for holding up sales in the retail trade another cause has been the lag in consumer buying power. Purchases are not as liberal as they were a year ago and this tendency to hold back has had a noticeable effect on sales not only of cotton textiles but many other products. This condition is ascribed to the uncertainty over the general outlook which is influenced by the forthcoming federal election.

Imports Continue Heavy

The primary cotton textile operators continue to feel the effects of imports. Under the Ottawa Agreements of 1932 the Canadian market was opened up to the Lancashire operators on a greater scale.

Lancashire Mills Helped

The manner in which the English trade has capitalized on the Ottawa agreements to further sales of cotton textiles in this country is well illustrated by the trade returns. In 1932, Lancashire operators marketed 27.2 million sq. yards of cotton goods in the Dominion. The following year 46.7 million sq. yards were sent over. The gain in 1934 was even more impressive, 63.8 million sq. yards having been marketed in Canada.

Despite the slowing down in demand and curtailment of operations in Canadian mills, Lancashire imports continue at a high level. For the first five months of this year, imports from the Old Country totalled approximately 28 million sq. yards, or roughly the same as a year ago. This would indicate that the Lancashire operators are not only holding the gains made since 1932, but are even securing a larger share of the market in view of the falling off in Canadian cosumption.

Mill Operations Lower

At present, mill operations in the Canadian primary cotton textile mills are around 60 per cent of capacity, as compared with some 80 per cent a year ago. There does not appear to be much likelihood of a change in this ratio in the near future, owing to the puzzling outlook in the American cotton situation.

Wait Definite Information

The U.S. Government's estimate of the cotton outturn for 1935 will not make its appearance until August 8. Until the size of the crop is forecast, the manufacturers fight shy of making long-term commitments. Consequently they are buying from hand-to-mouth, a condition necessarily being reflected in their own plant operations.

WESTERN HOMES TAKES HEAVY LOSS IN FIVE YEARS

Published annual report of Western Homes for 1934 shows total assets of $1.6 millions, of which mortgage investments make up $1.1 millions. Willis Argue, president, said that in the five difficult years of the depression the company had taken losses of $100,000 on repossessed property. This was a heavy loss for a young company, but has been written off without drawing on reserve. If Governments exercise good judgment in settling problems, if they do not interfere with private contracts and personal covenants, and if prosperity returns, future progress can be expected, Mr. Argue states.

Farm loan collections were fairly satisfactory in Northern Manitoba and Saskatchewan, but southwestern Manitoba, southern Saskatchewan and the western part of Saskatchewan did not produce a crop. Collections were therefore below the ten-year average for the whole West. A farmer needed a yield of 15 bushels an acre and 70 cents a bushel net for wheat to repay a loan of $15 an acre in ten years. The average yield for the last three years was 12½ bushels, and the price about 42 cents.

Rents Fall 35 Per Cent

In 1934 city collections were 35 to 40 per cent below the average of the twenty years the company has existed. There are 1,200 vacant homes in greater Winnipeg because of doubling up. Rent is 35 per cent lower than five years ago.

Mr. Argue said that voluntary adjustments made by mortgage investment companies since debt adjustment legislation was introduced have far exceeded all adjustments made through government machinery.

See earnings figures on page 15.

Ford Co. Sales Far Exceed 1934

Ford Company of Canada sales continue the progressive betterment shown in recent years. Total sales in 1933 were 26,398 units, in 1934 were 48,917 units and to June 29, 1935, were 50,300 units. Early estimates were for sale of 65,000 units for the whole of 1935 and it is now probable that that estimate will be exceeded materially.

Sales in first half of 1935 included 23,725 units delivered to dealers in Canada and 26,575 shipped for export. Total domestic sales in 1934 were 18,861 units, so that increased business in Canada is phenomenal. Employees got $6 millions in wages and salaries so far in 1935 compared with $6.5 for all of 1934.

U. S. TOURIST STREAM POURING INTO CANADA EQUALS 1929 VOLUME

(Continued from page 1)

companies busier. The gasoline war in Montreal has given the tourists there very cheap gas and they are filling up without profit to the companies. But in Ontario they are filling up their tanks as well and the companies are more than making up in this province what is being lost in the Montreal area.

Parasite Organizations Reported

There is another result not so happy. The Ontario Securities Commissioner is making it uneasy for the high pressure salesman of stocks and he is seeking other fields. Hotels and resorts report almost an inundation of literature and of salesmen from various travel bureaux. They come with claims of what they can do in the way of sending tourists to them and a number of hotels and restaurants and tea-rooms have paid over hard-earned money and get little for it.

At a meeting in Bracebridge of the Muskoka Tourists Development Association on July 5 members discussed with considerable indignation representations which it was claimed had been made by the Tourist Information Bureau of Canada, Inc. This company claimed to have 22 stations in Ontario. Some of these names were fictitious though a station was reported from the Humber and two or three others were known to members. Most of the members had been thoroughly canvassed for this T.I.B., as it is commonly referred to, and had been given the impression that it had most valuable connections in the United States.

Wants a Show-down

The secretary of the Muskoka Tourist Development Association, George A. Martin, and a hotel proprietor himself, wrote to boards of trade and chambers of commerce and official travel and publicity bureaux of Detroit, Buffalo and other United States cities without finding anyone who knew the organization. In Canada the Border Cities authorities had no record of its activities in trying to reach incoming tourists. London had a bureau under the same name but it was an official bureau and unconnected with T.I.B. Hamilton had no record of it. The Quebec government, which lists all such bureaux, said this one was not registered. One station was found in Niagara Falls and some hotels and boards of trade reported having been approached.

The consensus of opinion at the Bracebridge meeting was that this company should be forced to substantiate all its claims made or be closed up by the Ontario government. It is understood that representations along this line have been made to the Ontario government.

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Legal Opinion: Messrs. Meredith, Holden, Heward & Holden for the Selling Agents and Charles Laurendeau, Esq., K.C., for the Commission

The City of Montreal and the municipalities under the control of the Commission will be jointly and severally responsible for the loans made by the Commission by means of these bonds.

Information in respect to The Montreal Metropolitan Commission and its financial position will be found in the official prospectus, which is available upon request.

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July 11, 1935

The statements contained herein are based on information supplied by The Montreal Metropolitan Commission

Last Minute Revision Leaves Commons in Dark Regarding Industry Acts

Senate Drastically Prunes New Deal Legislation Before Approval

PASSED LAST DAY

Criminal Code, Trades and Industry Statutes So Amended That Sponsors Unaware of Final Form

From Our Own Correspondent

OTTAWA.—Much of the Bennett Government New Deal legislation has finally passed Parliament. But last minute changes, largely at the intervention of the Senate, have made it difficult, even for the legislators themselves to recognize their own children. It will be several weeks before official copies of the bills are available.

Three statutes—the Companies Act, the amendments to the Criminal Code and the Trade and Industry Commission Act—bearing directly upon industry and trade were approved finally on the day that Parliament prorogued.

Criminal Code

The Criminal Code changes survived the Senate with three exceptions. Senators struck out the references to maximum hours, deductions from employees' wages and similar matters. Section 6, subsection (b) of the bill declared it to be an indictable offence to, "permit an employee to work beyond the maximum hours fixed by law or any competent public authority." Subsection (f) made it a crime to "make any deduction from any employee's wages for any purpose not warranted by law," etc. Subsection (h) declared it a crime if any one did, "any other similar act contrary to law," etc. These subsections were deleted for the reason that their constitutionality was thought dubious and that they were contrary to sound common sense. Mr. Meighen, while sympathetic to the new deal, declined to go beyond a certain point. "It is all right," he remarked, "to be marching along the road to reform, to be living up to the perhaps evanescent psychology of the day, but it is still wiser to keep looking around to see that you are basing your conduct on the immortal ground of common sense."

Trade and Industry

The changes in the Trade and Industry Commission bill are of great importance.

1. The provision to have the commission enquire into and report upon capital structures (at the instance of the Secretary of State) was killed by the Senate.

2. The Senate proposal to temper the severity of the original bill with respect to new economic crimes, by permitting the commission to issue cease and desist orders, was refused by the Commons.

3. The functions of the new public prosecutor were clarified.

4. Anomalies in the legislation were removed.

5. Senate amendments to guard against wholesale prosecutions were turned down by the Commons.

Senate Takes Laurels

In the main, the Senate came off with the laurels. All attempts to make Senator Meighen withdraw on fundamentals were in vain, but the general view probably will be one of regret that the Commons would not agree with the Upper Chamber in tempering the more severe clauses of the act.

Section 26 of the bill covered the issue of new securities and provided that: "The commission shall, if requested by the Secretary of State, investigate and review the capital structure of any company incorporated by or under any act of the Parliament of Canada proposing to issue new shares, debentures or other securities to the public." Following subsections enlarged on this function.

The Senate killed the section. The Commons insisted upon its revival; the Senate refused and the Commons had to yield.

No Government Guarantee

The grounds upon which the Senate killed it were stated by Mr. Meighen:—"The Senate itself recognized the fact that this subject is distinctly within the provincial prerogative and that in all the provinces, with the exception of Prince Edward Island, there are commissions specifically and technically qualified to determine on stock issues. While the Dominion commission could investigate and report with respect to Dominion companies, we felt that under this section we were assuming it could do the work better than the provinces are doing it. And to make its work effective there would necessarily have to be a duplication of provincial machinery. We took the further ground that the section is exceedingly dangerous. The Secretary of State might refer a matter to the Commission or might not, and there was no limit to the time when he might act. Assume that he took no action with respect to an issue which turned out badly, as many issues do. We feared that in such circumstances people who lost money on the issue would say that he should have referred the capital structure of the company to the commission before permission for the issue was granted and that in effect the lack of action by him was practically a guarantee of the issue by the government of Canada. These reasons appear to me to be powerful and insurmountable."

Combines Investigation

With regard to the commission's power to issue orders to cease and desist, a misapprehension exists as to the intention of the Senate. The Price Spreads report recommended a commission with power to regulate industry, to formulate codes and regulations and enforce them. The commission, in this wide sphere, was to have power to issue cease and desist orders. The Bennett government did not attempt to create this kind of a commission. Instead, a body was created to investigate industry as a whole but actually to administer only the Combines Investigation act and to enforce such Dominion statutes as define unfair trade practices. With respect to the Combines act the commission may recommend that its provisions be not enforced against organizations whose activities are deemed in the public interest. But if acts are violated, the commission, through the public prosecutor, may proceed with prosecutions in the courts.

Give Chance to Reform

The Senate proposed that the commission be given two courses in dealing with infractions of statutes. Instead of prosecuting, it was suggested that the commission be authorized to issue a cease and desist order. This would be equivalent to a warning. If the order was not obeyed, prosecution could follow. The Senate's idea was that in these new "economic" crimes, the "criminal" be told to stop and given a chance to reform before being hailed into court and placed in jeopardy of heavy fines or imprisonment. Mr. Meighen referred to these offences as "artificial crimes—the making of crimes for the purpose of establishing trade practices."

The Commons rejected the suggestion on the ground that it weakened the law.

The director of prosecutions is now definitely placed as an employee of the Commission, not of the Justice Department. He merely consults with the minister of Justice.

Finally, the Senate placed existing combines on the same footing as individual companies desiring to form a combine.

The old act, contrary to popular belief, did not prohibit combines, unless they were proved to be against the public interest. The new act permits the commission to recommend that individuals be allowed to combine, if circumstances warrant this being done. The Senate amendment accords existing combines the right to receive the blessing of the commission and of the government.

New Deal Acts Come Gradually

From Our Own Correspondent

OTTAWA.—The new Companies Act will not come into force either in whole or in part until proclaimed by order-in-council.

The Trade and Industry Commission will not begin to function until Oct. 1, 1935.

The Criminal Code changes become operative at different dates. The section to control advertising matter applies as from Jan. 1, 1936. The other sections, arising out of the reform programme — wages, hours of labor and unfair price competition—will be effective December 1, 1935.

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Formerly with Drury & Co, Montreal, who has formed A. T. Ross, Ltd., to deal in investment securities.

Senate Draws Teeth of New Companies Bill

For constitutional, business, financial and other reasons, the Senate has drawn some of the teeth of the bill amending the Dominion Companies Act. The strict prospectus provisions have been modified, the definition of underwriter modified and the effort to define speculation deleted. After some discussion the Commons accepted 50 amendments in the dying days of the session.

The definition of underwriter was purposely extended in the Commons to see if the prospectus provisions could not be made to apply to the investment dealer who buys a block of stock outright from a company. It was found that by this device companies also escaped the need of giving a fully informative prospectus to prospective shareholders. But the Senate amendment refuses this solution.

The definition of speculation was made to enable the Act to prevent directors using inside information for their stock market operations. The Senate leaves the penalty for speculation but drops the definition. That leaves the matter up to judicial interpretation, Parliament being afraid of it.

Senator Arthur Meighen in the Senate, like Hon. C. H. Cahn in the Commons, believes that some of the amendments to the Dominion Companies Act are ill judged. The questions which the new bill is expected to solve, according to Mr. Meighen, "are not quite so simple as they appear to high-grade moralists who make money by parading their demagogism in the press."

The debate in the Senate reproduces the queer spectacle already seen in the Commons, of the introducer of a Government measure explaining clearly the objectives of the bill while at the same time "waxing sarcastic" about the difficulties of doing anything really effective. The idea seems to be: it is rather unwise but the Price Spreads Committee wants it and this is the best we can do to meet them.

Directorship More Dangerous

Responsibilities of directors, Senator Meighen thinks are "made more onerous, more difficult and, I think I might say, more dangerous" by the clauses compelling directors to ensure the adequacy of all considerations given for the stock of the company.

Senator Dandurand felt the amendment passed by the Commons leaves much to the discretion of the management or the directors but that, if adverse circumstances develop, it will be very difficult for them to assert that their judgment was sound.

Senator Meighen—"Hindsight will be better than foresight and it will be much easier." Senator Dandurand agreed.

The Senators, therefore, changed the words "just and adequate consideration therefor" in the bill to read "the fair equivalent of cash to the total nominal amount of the shares so issued." The Senate also added an amendment that directors may apply ex parte by summary petition to a judge to determine by declaratory order that any such consideration was the fair equivalent of cash.

Against Equal Rights

The spirit of the measure forbidding management shares, he says, is "that all shares shall have equal voting rights."

"Of course," he adds, "everyone closely associated with companies knows that it would be an anachronism to provide that all shares must forever have equal voting rights. It would make impossible the taking over of many concerns, and in the event of failure of earnings would do gross injustice to preferred shareholders."

He is grateful for a later saving clause that the equal rights are given "subject to the provisions of any by-law of the company duly enacted under the provisions of this Act," and he adds, "Obviously the modification is necessary."

Senator Meighen apparently thinks the Act is going beyond powers of the Dominion in trying to protect purchasers of stock from underwriters in the same way as purchasers of stock from the original company have heretofore been protected. He had reference mainly to the amendment making the underwriters, who purchase a block of stock outright from the company. the agents of the company in respect to the sale of the stock

"Every lawyer in the House will be wondering whether we are not getting into the question of civil rights when we seek to stand between a bond house which owns the stock or other security issue of a company and that bond house's purchasers. The bill provides that before the company sells its issue to underwriters as defined in the bill, it must take from those underwriters a contract that they shall deliver a copy of the prospectus to every person they approach for the purpose of selling stock.

"I cannot see anything in the measures taken to guard the investor which is likely to be attacked; but when we come to declare that the underwriter is an agent when in fact he is not, I am not sure that we are on very solid ground. However, without doubt there is a very laudable purpose to this phase of the bill and I think a very important purpose. I earnestly trust it is secured by impregnable clauses and verbiage."

The Senate struck out therefore the clauses referred to by Mr. Meighen. In other words, there is no real change.

Cannot Include Write-ups

Senator Meighen pointed out that the provisions against directors declaring dividends which would impair the capital of a company or render it insolvent were very strong. In determining whether there is impairment or insolvency it is provided that no account can be taken of any writing up of the company's assets which has been done within a space of five years before the date of the dividend declaration.

"It is to be impressed on honorable Senators that this is irrespective of whether such write-up of capital was justified or not," said Mr. Meighen.

Let Provisional Directors Go.

The provision making first elected directors responsible for whatever is done by provisional directors was intended to meet the evil of a law-office incorporation where clerks were made directors, did acts which they should not do and then directors were elected to carry on legally thereafter. He was inclined to think the net result of these measures would be an increase in dummy directors. The liability for acts of provisional directors applied only to first elected directors but apparently it applied to them "for all eternity."

Speculating

With reference to the prohibition against directors buying and selling the stock of their companies Senator Meighen said there were two sides to the question. If persons interested in management were to be forbidden to own its stock by purchase the first condition of good management was removed. Directors often did shareholders a service by buying stock when it went too low and selling it when it was being driven by market influences too high. He felt the legislation was rather skilfully designed to prevent the fleecing of the public but the ship of legislation had to be steered between two rocks. It should stop the fleecing of the innocent and not prevent the beneficial exercise of the directors' judgment about buying and selling.

As to directors dealing in stocks of their own companies, Senator Dandurand felt it to be dishonest for a director to buy stock in his own company prior to an increased dividend or to sell his stock when he knew a dividend was to be passed.

Senator Meighen agreed that it would be dishonest if a director went to the owner of a share and induced him to sell his shares before a dividend was increased. But he did not see that a director could feel he was doing wrong when he buys stock on the market, merely because he knows from inside information that the stock will be worth more. He would not be helping the stockholder in the slightest by keeping out of the market. He would undoubtedly be subject to criticism under the proposed law when he publishes his transactions during the year but it would be unjust criticism. If he were to refrain from buying, a shareholder selling his stock would make a worse bargain because the market would be weaker because of his keeping out of it.

BRITISH EMPIRE TRUST.

ORDINARY REVENUE INCREASED.

MR. J. DAVIDSON'S VIEWS.

The thirty-fourth ordinary general meeting of the shareholders of the British Empire Trust Company, Ltd., was held on June 24th in London, Eng.

Mr. J. Davidson (chairman and managing director) presided.

The Chairman said in part:

"The ordinary revenue for the year was £78,148 18s 8d, as compared with £75,779 2s 7d last year, being an increase of £2,369 16s 1d.

Investment Policy.

"Your directors might have added further to the income of your company by lowering the standard of the investments held. The choice at the present time lies between accepting a relatively low yield on high-class investments, or incurring the capital risks involved by taking less well secured investments to obtain a higher return. Having regard to the present unsettled condition of affairs throughout the world and the possibility of further shocks before political, commercial and financial affairs reach a more stable basis, the risks of adopting the latter course are substantial. Your directors have preferred, therefore, to adopt largely the safer policy, and in consequence you will see from the report that 61 per cent. of your investments, which is an amount representing approximately seven-eighths of the company's capital, is invested in the highest class of British and Empire securities.

"Canada, without any doubt, contains greater undeveloped riches than any part of the British Empire. The extent of her territory, the character of her people and her potential wealth, make her to-day the greatest of the Dominions, Canada is already rich in developed resources. In the development of these resources the savings of the people of Great Britain have played an important part. Your company alone has been responsible for the sending to Canada of many millions of pounds of British savings through Canadian securities issued in London. The losses incurred through issues made by your company have been infinitesimal. Such losses as have occurred have been due to circumstances over which there was no control. They arose from unavoidable commercial risks, reflected no discredit upon Canada and have been borne without complaint. But during the past six months investors here have been threatened with losses arising from unjust treatment on the part of certain borrowers.

Shock to British Investors.

"The people of this country have always been willing to invest their savings in Canada and take the fair risks attendant upon the investments they made. They were willing, in other words, to run the ordinary commercial risks inseparable from investments, but they are not willing to lend money and lose it as the result of unjust actions on the part of borrowers. The shock to investors here has been great: it is rendered still greater by the legalisation or attempted legalisation of acts of injustice and the denial of any right of recourse to the established Courts. It is no exaggeration to say that the attitude of investors here to-day to Canadian securities is one of watchfulness. They are anxious to see whether such happenings are to be permitted and repeated, or whether some means will be found to restrain the actions of irresponsible factions.

Strong Position Maintained.

"In conclusion I will say that your directors have never been more confident about the position of your company than they are to-day. We have kept it in a strong position, as we necessarily must when we act as trustees for over £50,000,000. We can only hope to secure new trusteeships, and the business that comes from such, by maintaining our strong position, and when times improve and the field of investment broadens I am confident that our income will substantially increase."

Years of Service

Many years spent in the settling of estates and in the management of estates, trusts and other property represent a cumulative experience that can serve you well.

Let us serve you and your family.

A Conservative Trust Company for the Public's Service.

Crown Trust Company

393 St. James Street, Montreal

BIGWIN INN, MUSKOKA

CANADA'S FINEST SUMMER HOTEL

Rates only $5.00 per day and up, American Plan. Golf 75c per round of 18 holes, 50c for 9 holes.

Reached by Canadian National Railways through Huntsville, Ontario, with delightful sail through three gem-like lakes or only three-and-half hours' motor ride over excellent roads, via Bracebridge, to Norway Point, where there is garage accommodation and ferry service to Bigwin Island.

Comfortable accommodation, excellent meals, perfect service, lawn bowling—every sort of boating—tennis—dancing—fishing. The very finest in concert music.

Fireproof construction. Cool and invigorating climate. Altitude 1,100 feet.

Northern Ontario Championship Tennis Tournament run off on Bigwin Courts week of July 22nd.

Write, wire or phone

The Bigwin Inn Company Limited

Bigwin Island, Lake of Bays, via Huntsville, Ontario

TRUCK OPERATORS IN WIDELY DIFFERENT LINES OF BUSINESS ARE BUYING Ford V-8's FOR WIDELY DIFFERENT REASONS

Robert Simpson Co., well-known department store, recently added three Ford V-8 De Luxe Panel Deliveries to their fleet of Ford units.

Canadian truck operators have every confidence in the performance and economy of Ford V-8 2-ton heavy-duty and 1½-ton trucks and light commercial units. Their confidence is based on the results shown by actual and individual tests. They have operated Ford V-8 Trucks over their usual routes with their usual loads—and stacked the results up against the performance of other equipment. The special truck-type 90-h.p. and 80-h.p. Ford V-8 engines and such great features as the new load distribution, directed-flow crankcase ventilation, and full-floating rear axle make the Ford the greatest truck value. Make your own "on-the-job" tests.

Three 131½-inch 1½-ton Ford V-8 Trucks with stake bodies. Part of a large fleet of Ford units used by the Canadian Pacific Express throughout Canada for pick-up and delivery service.

Three of a fleet of factory-built Ford V-8 131½-inch Truck Panels. This well-known laundry company operates a total of 28 Ford units.

Fleet operators are invited to test V·8 performance and economy with their own loads, over their usual routes.

A fleet of 12 Ford V-8 Light Commercial models with special bodies recently put into service by this well-known Montreal baking company.

Bank Chat

A Demolishing Story

A DEVASTATING reason for violation of parking regulations was offered recently in police court by a Toronto man. He was charged with parking his car longer than the law allows in downtown Toronto. He explained to the court: "I was taking the top story off a bank." Exclaimed the court: "You were what?"

"I was doing it at the corner of Queen and McCaul Streets," said the accused. He then explained he was a contractor and was demolishing the building. This earned him his freedom on remand for sentence.

* * *

All For a Five-cent Piece

IN THE parliamentary debates at Ottawa last week, Hon. E. N. Rhodes, Minister of Finance, termed the Canadian five-cent piece one of the world's most hideous coins, and went on to suggest more artistic coinage. Discussion on this subject led Hon. Mackenzie King to remark: "I would like to remind the minister that this is not the first time a minister has got into difficulty over a five-cent piece." Mr. Rhodes revealed that he had considered a coin with a hole in the centre to replace the present coin. Which evoked from Jean Francois Pouliot, Liberal M.P. for Témiscouata, Que., the jibe that if there were a hole in it it would be a picture of the government's reform programme. Merely a few witty remarks to brighten up the daily grind at the capital.

* * *

German Finance

IN DIRECT contrast to current French experience, the German credit market is outwardly confident and serene. But underlying the situation is a problem of serious proportions. According to the "Economist," deficits of the past two years have been financed by a rapid rise in short and medium term investments for which a market was found by an ever-increasing credit expansion. A similar method was adopted in financing the government's employment programme on which some Rm. 5,000 millions have been spent since 1933.

As a result the government debt has increased during the Nazi régime by an amount estimated at Rm. 12,000 to 16,000 millions. Ninety-seven per cent of the Reichbank's note cover is at present represented by treasury bills, government bonds and state-guaranteed bills. What makes the position dangerous, of course, is the fact that so large a proportion of the total is short term and medium term debt.

* * *

Staid (?) Bankers

BANKING is evidently no exception to the general practice when it comes to breaking in a new man. That the traditionally staid and stern banker could stoop, even in his younger days, to acts of horseplay is sometimes not realized by those who come in contact with him only in a business way. The Journal of the Canadian Bankers' Association, however, lets the cat out of the bag when it publishes for public edification pranks such as having junior winding the combination, sending for cheque stretchers, and so on. Quite a common practice is to have the new man trade "bullion" with another bank, only to find that the exceedingly heavy parcel he toted contained nothing but old iron and rocks. One story is told of a junior being sent to obtain the general ledger of another bank and actually on the point of receiving that most iluminating but very secret record through the courtesy of an employee equally inexperienced, only to have the accountant spoil the fun by appearing on the scene.

Staff Changes

The Royal Bank of Canada announces these staff changes:

W. H. GIDDY, formerly in the supervisor's department, Toronto, to be accountant at Owen Sound.

P. H. FISHER, formerly manager at Woodbridge, to be manager at Gage and Main branch, Hamilton.

V. S. MacMILLAN, formerly assistant accountant at Halifax, to be accountant at Summerside, P.E.I.

J. C. MAYNE, formerly in the supervisor's department, Toronto, to be manager at King and Church branch, Toronto.

S. H. GREGG, formerly manager at Smithville, to be manager at Huntsville.

W. L. BARKER, formerly manager at Huntsville, to be manager at Leamington.

W. H. DAVISON to be accountant at Halifax.

D. M. NEEVE, formerly of King and Church branch, Toronto, and W. B. DUNN, formerly of Leamington, have retired on pension.

The Bank of Toronto has made an appointment as follows:

C. P. ROPER, formerly manager at Bradford, Ont., to be manager of the Bloor and Jane Sts. branch, Toronto, in succession to R. C. CAMERON.

The Bank of Montreal announces the following staff changes:

V. R. PURSER, formerly secretary of the assistant general manager's department, Winnipeg, has been appointed assistant manager of the staff department at head office.

J. F. BEVERIDGE, formerly manager at Fort Erie, to be manager at Gage and Barton branch, Hamilton.

J. C. WISEMAN, formerly manager, Walker Rd. branch, Walkerville, to be manager at Fort Erie.

H. P. EMERSON, formerly manager at Corner Brook, Nfld., to Bathurst.

A. E. NETTEN, formerly manager at Curling, Nfld., to be manager at Corner Brook, Nfld.

W. D. THOMAS, formerly manager at Central Market branch, Hamilton, to be manager at Morrisburg.

G. K. TINNEY, formerly manager at Aurora, to be manager at Central Market branch, Hamilton.

J. W. MONTAMBAULT, formerly manager at Arvida, to be manager at Roberval.

D. D. TROTTER, formerly manager at Bury, to be manager at Hartland.

P. A. R. MERCURE, formerly manager at Roberval to be manager at Levis.

A. M. DUNLEVIE, formerly of head office, to be manager at Almonte.

The Canadian Bank of Commerce has announced appointments as follows:

D. R. MORRISON, formerly manager at Glace Bay, to be manager at Antigonish.

A. M. HOOD, formerly accountant at Halifax, to be manager at Glace Bay.

NORTHWESTERN UTILITIES LIMITED

15-year First Mortgage Sinking Fund Bonds, Series A

7% to June 1, 1938 — 6% thereafter to maturity, June 1, 1949

Net income in 1934, before provision for amortization and depreciation, was equivalent to 2½ times bond interest requirements.

PRICE: 100, to yield 6.44%

Send for descriptive circular

NESBITT, THOMSON and Company Limited

355 St. James St. W., Montreal

Branches in all the principal cities of Canada

211

Mathematician Erred, Caused Fall of Silver

Sir Isaac Newton's Miscalculation Led to Dominance of Gold in Occident

Silver in its monetary use has only become inferior to gold in occidental countries within the last two centuries. For thousands of years prior to the 18th century, silver was the monetary standard of most of the world. True, it succeeded copper, but that occurred before the time of Christ.

Strangely enough, an 18th century miscalculation by Sir Isaac Newton, the foremost mathematician of his age, is probably more directly responsible for the relegation of silver to an inferior place to gold than any other single event.

Because of Sir Isaac's error, gold became dominant in British finance. Silver remained the monetary bulwark in Europe and elsewhere. But the influence of Britain's accidental gold policy and her industrial domination in the 19th century drew other nations to gold. And this is how silver went downhill.

Once these peculiar facts are accepted, it is apparent that the story of silver's depreciation as money in western countries is contained largely within the bounds of British monetary history.

Rise of Gold

"As good as gold" has not always indicated sterling and stable qualities. In fact, gold has only comparatively recently held front rank among metals, that is if we disregard the field of international payments. Its official adoption in England as the basis of the currency dates only from 1816, and, with the exception of an abortive attempt to establish it at Leipsic in the 17th century, the gold standard dates from the 1870's in France and Germany and, officially, was not completely enacted in the United States until the 20th century.

No metal has continuously formed the basis of monetary systems. In Rome, silver succeeded copper, to be followed in turn by gold, the changes taking place imperceptibly in relation to the relative supplies of the metals and the nature of transactions. The convenience of using the more expensive metals increased with the growth of wealth and international payments.

Silver in England

This story of money is paralleled in the development of western Europe. Silver formed the basis of English coinage until gold usurped its place in a gradual process lasting throughout the 18th century. The pound sterling was originally equivalent to a pound of silver, the "scilling" denoting a piece or portion of the larger unit. Any attempt to coin and circulate gold was quickly defeated and its price fluctuated like that of any commodity, being quoted in terms of silver at so many shillings, just as silver is today.

Silver, the national coinage, suffered all the vicissitudes that gold has known in our times. Continental wars drained it away from England, and the source of its supply decreased until scarcity encouraged clipping and debasement, and national councils were called to secure an adequate currency.

Effects of Black Death

A deficiency of coinage in 1346 was solved in a grim and ghastly fashion by the Black Death which reduced England's population by half. The scales had so far turned five years later that coin became overabundant and undervalued and began to flow from the kingdom. The king called parliament "because the peace was not being kept, because laborers would not work, and because treasure was being carried out of the country." Silver was immediately overvalued by law and the export of coin was partially checked. However, the increasing scarcity of silver throughout the century led to further monetary controversies and "sound money" men fought vainly against devaluers.

In 1411, the price of silver was raised again, and a continuance of the trend caused a further rise in 1464. The history of the subsequent century is one of debasement and clipping until Elizabeth put a stop to it by restoring the standard of fineness in 1560. Milled edges came a century later.

Clipping of Silver

William III encountered monetary troubles in financing continental wars. His borrowings brought on a period of inflation during which clipping of silver flourished. The England of his day was prospering; foreign trade, especially with the Indies, was bringing fortunes to London. The use of gold increased because it was more convenient for transacting the larger business and because silver, once more in disgrace as coin, was not as stable as its rival in use. Money once more became the primary issue of the day and a proposal to increase the value of silver was put forward.

The great Locke rallied in defense of landlords and creditors who would stand to lose by the adoption of an increased silver price. The point of view of his age is aptly presented when, in 1695, he stated that "the only true pound—was 3 oz. 17 dwt. 10 gr. of sterling silver."

Sir Isaac Newton Erred

Two great modern monetary institutions came from the monetary disturbances of this period, the Bank of England which was formed "to put the national debt in" and the gold standard which came by accident. Sir Isaac Newton, the great mathematician and philosopher, was appointed warden of the mint in 1696. He brought in a report of his studies on currency in 1717, on the strength of which, parliament priced a guinea of gold at 21 shillings. Newton slightly overvalued gold in his calculations and, as a result, he failed in his purpose to check an inflow of gold which would, unless stopped, replace silver as the national money. The text of his report clearly indicates the fortuitous way in which England became the pioneer of our modern gold standard:

"If things be let alone," he said, "till silver money be a little scarcer the gold will fall of itself. For people are already backward to give silver for gold and will in a little time refuse to make payments in silver without a premium—and this premium will be an abatement in the value of gold. And so the question is whether gold shall be lowered by the government or let alone till it falls of itself by the want of silver money."

Realized His Mistake

He realized that the price ratio between the metals was wrong but he apparently did not consider that an increase in the price of silver in terms of a fixed gold price would mean the birth of the gold standard. But the relatively more stable and more convenient gold had crept into use in the payment of taxes and in the more important transactions and the badly clipped and worn silver began from that date to be quoted in terms of gold.

By the end of the century, gold had become firmly established as the coin of the realm. A clipped and worn silver became the token money, that is, it was valuable not for its intrinsic worth but because it represented a part of a pound sterling. Lord Liverpool's pamphlet of 1805 recognized the existing state of affairs in advocating that undervalued silver coins be issued as tokens of fractional values of the pound. The substance of the pamphlet was embodied in the act of 1816 establishing gold as the standard of the currency. In this manner, the downfall of silver as a standard of coinage began.

45 Years a Banker

C. W. FRAZEE

Supervisor of Royal Bank of Canada branches in Quebec, New Brunswick and Eastern Ontario, who has retired after nearly 45 years of service.

STANDARD FUEL INVENTORIES UP, AND CASH LOWER

Company Prepared For Larger Business—Pays Common Dividend

During the year ended April 30, 1935, Standard Fuel Co. reduced its cash by nearly half to $385,770 and increased accounts receivable and inventories materially. Total current assets were down a little and current liabilities a little higher. One reason for this was that, after common dividends of $25,000 had been paid, earned surplus was trenched on to the extent of $20,000.

The company makes no comment in its financial statement. As usual with Dominion companies, additional 1934 figures are given. Previously, for example, depreciation was deducted from earnings and the net result shown so that shareholders could not tell the exact amount deducted. Now the amount is shown.

This company was an amalgamation of Standard Fuel Co. of Toronto, the Milnes Coal Co. which owns all the stock of Milnes Fuel Oil, and Consolidated Coal & Dock Co. It has 15 fuel yards in Toronto and a dock property and the exclusive agency for Semet Solvay Coke in Toronto. It has no bank loans and no funded debt. It has been making small but progressive reductions in 6½ per cent preferred shares outstanding which are now less than $1.2 millions.

In 1928 the Dominion Appraisal Co. valued its properties at $1.1 millions and now they are shown at $925,138 because of the company's policy in writing off properties which have become unproductive. In the same time it has built up a depreciation reserve of $253,290.

Montreal Power Seeks Ste. Anne's Power System

From Our Own Correspondent

MONTREAL.—Ratepayers of Ste. Anne de Bellevue will shortly hold a referendum on the question of selling the town's electricity plant to the Montreal Light, Heat and Power Consolidated.

In the last few years Montreal Power has been active in acquiring control of the various municipal plants on the Island of Montreal and South Shore of the St. Lawrence. So successful has been the company in its campaign, that at the present there are probably only less than half a dozen independent power plants within a radius of 20 miles from Montreal.

Bank of Canada Weekly Statement

The Bank of Canada statement for the week ended July 3 shows a substantial decline in reserves, due almost entirely to a drop in sterling reserve from $4.86 millions to $208,430. This was probably on account of July 1 obligations payable in sterling. The first advance to a chartered bank was made during the week and amounted to $1 million.

Balance Sheet

Weeks Ending:	July 3	June 26
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	76,782,693	74,232,193
Dep.: Dominion	24,583,962	26,019,072
Banks	171,305,886	174,557,075
Other	513,705	114,221
Total deposits	196,403,553	200,690,368
Sundry liab.	4,216,000	3,706,562
All other liabs.	843,452	623,598
Total liabilities	283,245,698	284,252,721
Assets		
Reserve: Gold	106,671,415	106,671,415
Silver bullion	1,155,048	1,152,206
Res. in sterling	208,430	4,862,327
Res. in U. S.	13,677,022	12,601,749
Res. elsewhere	3,443	13,382
Total reserve	121,715,358	125,301,079
Subsidiary coin	352,555	349,566
Adv. to Govt.	4,216,000	3,706,562
Adv. to banks	1,000,000	....
Investments:		
Dom. govt. short.	30,523,794	30,488,378
Other Dom. govt.	119,902,815	119,959,170
Total invest.	150,426,609	150,447,548
Premises	115,770	112,080
All other assets	5,419,405	4,335,886
Total assets	283,245,698	284,252,721
Reserve ratio	43.01%	44.23%

Weekly Bank Clearings

	July 4 1935	Change year ago %	June 27, 1935 $
Halifax	$2,350,061	+ 4.4	1,880,654
Saint John	1,611,498	— 5.1	1,473,550
Moncton	671,772	+ 7.8	1,098,948
Sherbrooke	621,851	— 6.8	542,080
Quebec	4,450,002	— 5.4	3,332,754
Montreal	99,934,448	— 23.4	99,574,189
Ottawa	18,931,694	+281.6	20,745,994
Kingston	825,779	+ 11.9	543,479
Peterborough	756,417	+ 10.6	577,047
Toronto	121,701,099	+ 12.1	113,631,859
Hamilton	4,350,027	+ 2.4	3,824,157
Kitchener	1,020,981	— 0.9	972,136
Brantford	1,180,116	+ 20.8	755,186
London	3,232,743	+ 2.9	2,356,530
Chatham	453,721	+ 24.6	380,011
Windsor	2,407,184	+ 23.0	2,303,538
Sarnia	460,012	+ 31.2	541,650
Sudbury	659,912	— 0.6	916,235
Fort William	550,582	— 15.0	925,525
Winnipeg	61,578,247	+ 16.7	37,368,675
Brandon	304,763	— 16.7	277,114
Regina	3,941,418	+ 19.7	2,631,282
Moose Jaw	638,911	— 23.2	449,863
Prince Albert	350,692	— 32.7	368,840
Edmonton	4,178,212	+ 7.1	3,541,488
Saskatoon	1,425	+ 16.2	1,356,695
Medicine Hat	256,880	+ 20.8	197,437
Lethbridge	556,662	+ 62.5	411,972
N. W'minster	944,556	+ 58.1	477,295
Vancouver	15,585,688	— 5.5	15,579,498
Victoria	1,662,364	+ 8.4	1,452,393
Calgary	5,647,743	+ 9.2	5,099,400

GATINEAU POWER CURRENT INCOME ON LARGER SCALE

First Quarter's Returns Show Moderate Gain Over Last Year

From Our Own Correspondent

MONTREAL. — Gatineau Power and subsidiary companies report that for the first quarter of 1935, consolidated operating revenue and other income was $2.3 millions, compared with $2.2 millions in the first quarter of 1934. After taking care of all charges, including interest on the first mortgage bonds and prior liens, as well as the debentures, there was a balance available for dividends of $550,361 as against $490,487 in the first quarter of 1934.

Particulars of the consolidated income statement for the first quarter of 1935 and 1934 follow:

Quarter Ended March 31

	1935 $	1934 $
Oper. & other income	2,310,082	2,245,445
Loss on exchange	319	2,987
Gross revenue	2,309,763	2,242,458
Net revenue	2,019,149	1,962,050
Int. on bonds & prior liens	871,442	876,993
Balance	1,147,707	1,085,057
Int. on debentures	262,631	268,723
Other int., amort. of disc., div. on pref. stock of sub.	173,593	168,910
Deprec. and amort. storage works	161,122	156,937
Balance before divds.	550,361	490,487

Cumulative Returns Up

Cumulative returns for the twelve months ended March 31, 1935, show consolidated revenue of $9.3 millions as against $9.2 millions in the previous fiscal year. Net revenue before interest, depreciation, etc., was $8 millions against $7.9 millions in 1933-34.

The balance before dividends in the twelve months ended March 31, 1935, was $2.1 millions, as against $1.9 millions in the previous twelve months period.

Comparative consolidated earnings for the twelve months period are as follows:

Twelve Months Ended March 31

	1935 $	1934 $
Oper. & other income	9,345,114	9,239,822
Loss on exchange	36,656	176,823
Gross revenue	9,308,458	9,062,999
Net revenue	8,047,956	7,920,948
Int. on bonds & prior liens	3,498,369	3,517,058
Balance	4,549,587	4,403,890
Int. on debentures	1,061,971	1,084,829
Other int., amort. of disc., div. on pref. stock of sub.	682,233	699,162
Deprec. and amort. of storage works	647,932	639,629
Balance before divds.	2,157,451	1,960,270

Laurentian Water & Power Bought by Local Syndicate

From Our Own Correspondent

MONTREAL. — A syndicate of Mont Laurier business men has acquired control of the Laurentian Water and Power Co., which administers light and power to the municipality of Mont Laurier and district. The company has been in existence for several years and has developed with the growth of the municipality. It was owned by outsiders and recently it was felt that local owners would be in a better position to handle affairs of the company. An offer was made and accepted. No details are available as to the price paid for the property.

MONTREAL POWER OUTPUT DROPS OFF FOR PAST MONTH

Minor Decline Noted for Half of Current Year

From Our Own Correspondent

MONTREAL. — Montreal Light Heat and Power Cons. report that electricity generated in June for local consumption was slightly lower than for the corresponding month of last year, but it was higher than that reported for June, 1933.

Production on the company's system last month totalled 73.7 million kw.h., compared with 75.2 million kw.h. in June, 1934.

For the first six months of the current year, Montreal Power's production for local consumption totalled 489.5 million kw.h. This was in contrast to 500.3 million kw.h. and 441.6 million kw.h. in the first half of 1934 and 1933, respectively. These figures, it is pointed out, are for the company's Montreal system only and do not include off-peak or export power.

Gas Output Better

The gas output for June showed some improvement although it is still below the 1934 level, being 2.38 per cent below June, 1934, compared with a decrease of approximately 7 per cent for the past few months.

Output of the gas department for the first six months of 1935 was 2,649 million cu. ft., as against 2,795 million cu. ft. for the first six months of last year.

N. B. Power Board Reports Larger Income

From Our Own Correspondent

MONTREAL. — For the seven months of the current fiscal year ended May 31, 1935, New Brunswick Electric Power Commission reports an increase in revenue of $25,368 over the corresponding period a year ago. Negotiations, the Commission reports, are in progress with the Port Royal Pulp and Paper Co. for the supply of electricity to the company's plant at Fairville. The Commission is also considering the possibilities of supplying power to the Hillsboro Plaster Works plant.

The engineering department of the Commission reports that the construction line from Chatham to Loggieville is under way, while the transmission line from Devon up the Nashwaak River to Stanley Centre is also in progress. Another extension is being made from Oromocto to Rusagonis to Fredericton Junction as far south as Enniskillen.

Foreign Exchange Markets

Present indications are that the pressure on France and other countries of the gold bloc has been materially reduced in recent weeks. Strength of the franc has been reflected in the Swiss franc and Dutch guilder. Discount rates are being lowered. This week the second reduction within the past two weeks was made in France, bringing the rate to four per cent.

Recent rumors from England state that Montagu Norman, governor of the Bank of England, has pledged some $1,900 millions to bring about world stabilization of currencies without government agreements. It is reported that this money is the British exchange equalization fund, and would be used to bolster almost any international currency which shows weakness.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	July 2	July 3	July 4	July 5	July 6	July 8
U. S. dollar, High	.5906	1.00 1/16	1.00⅜	1.00 11/32	1.00 5/32	1.00 7/32	1.00 3/16
Low	.5906	1.00⅛	1.00 3/32	1.00 1/16	1.00¼	1.00 1/16	1.00 1/16
1934, High	.5906	0.99 1/16	0.99 1/16	0.99 3/32	0.99 3/32	0.99 1/16	0.99 1/16
Low	.5906	0.98⅞	0.99 11/32	0.99	0.98 15/16	0.99 11/32	0.99
U. K. pound	4.8665	4.95½	4.96	4.96	4.96	4.96½	4.97¾
Argentina	.4246	.2658	.2660	.....	.2657	.2654	.2652
Australia	4.8665	3.9554	3.9598	......	3.9608	3.9641	3.9737
Austria	.1407	.1909	.1910	.1909	.1900	.1903	.1902¾
Belgium	.1392	.1699	.1698¾	.1700	.1694	.1693½	.1693½
Brazil	.1963	.0551¾	.0552	.0551¾	.0551	.0551	.0550½
Czechoslovakia	.0296	.0421¼	.0421½	.0423	.0419½	.0419⅛	.0419½
Denmark	.2680	.2214	.2214	.2216	.2215½	.2218	.2224
France	.0392	.0666	.0666	.0666½	.0664	.0664	.0664¼
Germany	.2382	.4060½	.4062	.4062	.4046	.4050	.4047¾
Greece	.013	.0095½	.0095½	.0096½	.0095¼	.0095¼	.0095½
Holland	.4020	.6856	.6853½	.6855	.6834	.6833	.6835
Hungary	.1749	.2989	.2991	.2990	.2977½	.2974½	.2972¾
India	.3650	.3772¾	.3772	.3769¾	.3772	.3770	.3785½
Italy	.0526	.0832½	.0832½	.0832	.0830½	.0829	.0827¾
Japan	.4985	.2919	.2920	.2919	.2917	.2919	.2922¾
Jugoslavia	.1929	.0231	.0231¾	.0233	.0231	.0230¼	.0230¾
New Zealand	4.8665	3.9952	3.9997	......	4.0008	4.0041	4.0137
Norway	.2680	.2492¾	.2492	.2494	.2493	.2497¾	.2502
Poland	.1122	.1912	.1913	.....	.1905	.1906	.1906
South Africa	4.8665	4.9293	4.9349	.....	4.9363	4.9404	4.9522
Spain	.1929	.1380	.1380½	.1382	.1376	.1376	.1376¼
Sweden	.2680	.2558	.2556½	.2558	.2558	.2564	.2567½
Switzerland	.1930	.3294	.3294¾	.3292	.3284	.3284	.3285
Hong Kong	.5422	.5527¼	.5505	.5502	.5513	.5483½	.5405

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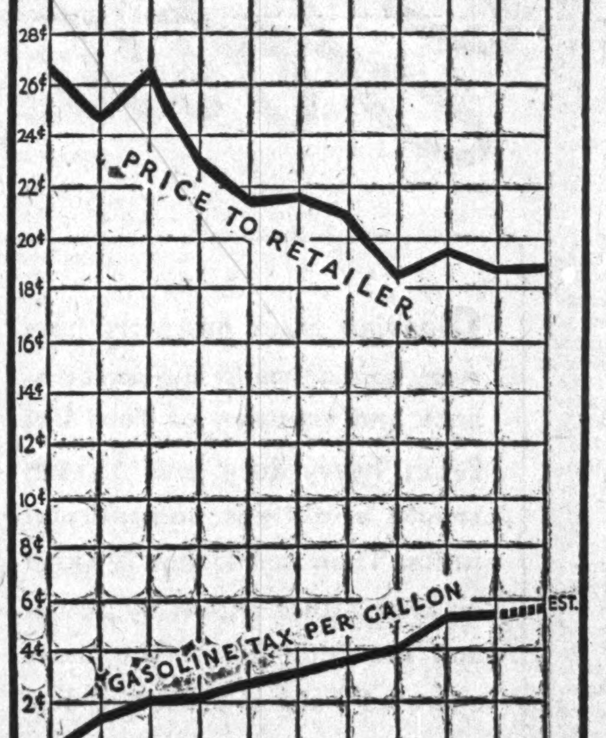

The accompanying chart shows how the price of gasoline to the retailer has decreased and the gasoline tax has increased since 1924. The data for this graph are based on figures published by the Dominion Bureau of Statistics.

FALLING PRICES—RISING TAXES

IN 1924 the average price to the retailer of all gasoline sold in Canada was 26.6 cents per Imperial gallon. Since 1924 the price has fallen almost continuously and for 1933 and 1934 it stood at 18.8 cents—nearly eight cents less than in 1924.

"But", you say, "gasoline does not cost me eight cents less a gallon than ten years ago."

You are right, and this is why:

In 1924 the gasoline tax was new in Canada and the total gasoline tax collected in that year amounted to an average of only a little more than ¼ of one cent for each gallon consumed. But as the price of gasoline fell the tax on gasoline rose to higher and higher levels until in 1933 it amounted to nearly 5½ cents for each gallon consumed in Canada.

When you buy a gallon of Imperial gasoline you also pay other taxes totalling about 8/10 of one cent. The profit which Imperial Oil earned on each gallon of gasoline that it made and sold during 1934 was just over 5/10 of one cent per Imperial gallon.

IMPERIAL OIL LIMITED

THE SIGN OF IMPERIAL PRODUCTS A FAIR DEAL

News of Investment Markets

MARKET FIRMER GILT-EDGE BONDS VOLUME HIGHER

Considerable Improvement Reported This Month Over June

Prices of high grade bonds have strengthened in the last week and while dealers report the usual summer market there has been some improvement in volume over June. The recent strength of sterling, it is expected, will make Canadian issues more attractive buys in London while the continued strength of the general bond market in United States is reflected in Canada. The fact that no new financing appears on the immediate horizon is cited as another factor in the recent firmness.

Westerns Gain

While eastern provincial bonds are fractionally weaker than at this time in June, in the past month there has been a distinct improvement in Westerns. All issues of the Rrairie Provinces are up from a fraction of a point to over two as compared with the second week in June. British Columbia bonds are unchanged.

In The Financial Post index of seven high grade bonds a gain of close to a quarter of a point is noted from a week ago, but the average is still almost two points below the high of the year reached early in January.

Comparisons of The Financial Post averages for gilt-edged bonds follow:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
July 9	3.508	112.99	July 9	3.876	109.68
July 8	3.510	112.98	July 7	3.883	109.57
July 6	3.522	112.87	July 6	3.903	109.36
July 5	3.522	112.71	July 5	3.941	108.97
July 4	3.521	112.83	July 4	3.951	108.84
July 3	3.531	112.76	July 3	3.956	108.84
Jan. 2	3.381	114.85	Jan. 2	4.517	102.54
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.608	112.10	Range	4.517	102.54

Nanaimo-Duncan Utilities Paying $3.25 on Preferred

Payments are being made on the preferred stock of Nanaimo-Duncan Utilities at the rate of $3.25 per year, or 6½ per cent. The following is the record of preferred dividends paid to date: 54 cents on Dec. 1, 1934; 81 cents on March 1, 1935; and 81 cents paid on June 1, 1935. An interim dividend of 25 cents a share was paid on the common stock on April 1, 1935.

The company, which is a subsidiary of Canadian Public Service Corporation, was incorporated in June, 1934, to acquire the undertakings formerly operated by Nanaimo Electric Light, Power and Heating Co. Ltd., and Duncan Utilities, Ltd., former subsidiaries of Dominion Gas and Electric Co.

Investment Notes

Beer in Cans

IF ANY Canadian brewing company is considering the canning of beer the chief executives are keeping quiet about it. A New York brewer is claiming large distribution as a result of his experiments along this line. Canadians are watching it but speak dubiously as to probable public response.

Advocates of tin can say it shows, as compared with the glass bottle, a 55 per cent reduction in shipping weight, 63 per cent saving in space, no cost of freight for returning empty cans and no handling, washing and sterilizing expense in treatment of empty bottles returned for use. It is claimed that beer cans are coated with a special lacquer to prevent the formation of objectionable acids.

It is to be presumed that contents will remain more important to consumers than the containers but nevertheless it is possible that cans may permit sale in markets where pickup service for bottles is difficult. If experience in the United States shows this is an effective method of enlarging the area of distribution for well-known brands it may well become a market factor in Canada.

* * *

Yield and Quality

JUDGING by the experience of the past six years, yield on common shares is an important guide for satisfactory investment. Shares of seasoned and well-managed companies which return a fair, not necessarily a high, yield, rarely fret the holder very much. There are exceptions, of course. But the depression has shown that ability to maintain dividends is a good test of market values. The yield on well-tested common shares should bear some relationship to returns from government securities. Hartley Withers, in his new book, "Investing Simplified," appears to vacillate between approving yields substantially above those on gilt-edged bonds or yields only slightly above government bond interest. Stock market history appears to indicate that yields on a diversified holding of common shares should be somewhere above those on government bonds. In fact, the rate of interest has been a fairly good general guide to share movements and business conditions for a century. Low loan rates forerun good times. High loan rates have been warnings. Those who think back to 1929 will recognize this. Tight and costly call money was one of the few reliable barometers of the crash. It started to point to danger in 1928.

* * *

Keeping Pete

IMPERIAL OIL is not distributing its shares in International Petroleum Co. among its shareholders as Montreal gossip alleged. The Financial Post is informed that no such project was ever discussed.

The giving of such shares to shareholders would mean the passing of control from Imperial Oil to Standard Oil of New Jersey as the largest shareholder of Imperial Oil. Things are much better as they are, it is understood.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
Weekly Figures, 1935:										
July 4	121.3	10.8	56.6	209.6	65.7	127.5	108.4	141.7	44.5	94.8

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 9	107.69	102.75	88.52
July 8	107.08	103.27	88.42
July 6	107.17	103.12	87.98
July 5	107.65	103.74	88.94
July 4	107.34	103.89	89.13
July 3	107.25	103.59	88.77
Month ago	109.03	108.34	94.90
Year ago	98.99	125.54	92.66
High, 1935	113.99	123.68	103.99
Low, 1935	97.50	103.07	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 9	58.4	57.8	58.0
July 8	58.8	57.7	58.0
July 6	58.9	57.6	58.0
July 5	59.1	57.5	58.0
July 4	59.1	57.5	58.0
July 3	59.5	57.9	58.4
Month ago	61.0	60.1	60.4
Year ago	64.3	57.4	59.7
High, 1935	63.4	63.1	63.0
Low, 1935	56.1	56.0	56.3

INTL. CARBO-ICE SUBMITS OFFERING PREFERRED STOCK

Includes Share For Share Bonus of Common Stock

An offering of 6,000 shares of $25 par value seven per cent cumulative preferred stock in International Carbo-Ice, Ltd., is being made by Griffis, Fairclough & Norsworthy, Ltd., Toronto. Proceeds of the issue will be used to increase working capital and for further development work.

Doubles Capitalization

The company originally had an authorized capitalization of 10,000 preferred shares and 250,000 shares of no par value common stock. This was doubled by supplementary letters patent dated May 27, 1935. The present offering is being made at $25 per share, and includes a share for share bonus of common stock. If it is fully taken up there will be 14,645 preferred and 400,000 common shares outstanding. Prior to this issue most of the stock had been subscribed for by directors.

Subsidiaries

International Carbo-Ice is a holding company with two subsidiaries. One of these, Carbo-Ice (Toronto) Ltd., manufactures and distributes a dry ice known as "Carbo-Ice." The other, Carbo-Ice Equipment Ltd., is purely a manufacturing concern, making equipment utilizing "Carbo-Ice." All of its production is marketed through Carbo-Ice (Toronto) Ltd.

While "Carbo-Ice" business is expected to be the company's main activity for some time, experiments are being conducted in the production of by-products such as nitrogen, oxygen and hydrogen.

Rights to the Horvitz-Knapp process for the purification of gases are held for Canada, Newfoundland and the British Isles, and options on the Macmar process for the recovery of carbon dioxide are held for all countries outside the United States. These processes are considered to be most efficient, and sale of rights may constitute an avenue for additional revenue. Negotiations to this end are under way in England at the present time.

Plant Capacity

Although the Leaside plant is the only one in operation, the intention at the time of incorporation to operate in various Canadian cities has not been entirely abandoned. Rated capacity at the Leaside plant is 10 tons daily. It is estimated that this could be doubled with an expenditure of $35,000. Current output runs about 6 tons per day, and this will probably be increased within the next month to 7 tons. Operations began late in January of this year. Customers, most of whom are under five-year contract, are stated to have increased from 89 as at March 31 to 91 as at June 15. These contracts account for the total present production. Sale price is currently set at $50 a ton.

Management is under the direction of Walter S. Josephson, formerly president and general manager of the Dry Ice Corporation of America. Mr. Josephson is president and a director of the company. Associated with him on the board are: H. H. Moore, vice-president; J. J. Gray, sec.-treas.; L. M. Wedlock, T. E. Griffis, L. M. St. B. Collins, S. L. Alexander, J. F. Howden and D. B. McWilliams, directors.

Balance Sheet

The company's balance sheet as at June 2, 1935, after giving effect to the present financing, shows current assets of $136,835. Of this amount $126,500 is in cash. Fixed assets total $153,338. Accounts payable at $37,950, bank loan $10,000, accrued salaries $1,500 and miscellaneous loans $5,650, bring total current liabilities to $55,100. The 400,000 common shares are shown at $28,207. Operations from April 1 to June 22 this year resulted in a deficit of $12,612.

MUNICIPAL FINANCES

Winnipeg $4,000,000 sewage disposal plan for city and suburban municipalities is to be commenced immediately due to the Dominion undertaking payment of 40 per cent of this year's expenditures. The Dominion will also lend the city and the province their shares of the cost. Completion is expected to take two years. Outlay for this year is estimated at $2 millions.

* * *

Calgary interest rate on over $900,000 of city treasury bills held by the Alberta Government has been reduced from 4½ to 4 per cent, saving the city nearly $4,500 annually. The city is making an attempt to have maturities of the bills extended.

* * *

Toronto income tax assessment is up $3,106,000 at $41,700,859 for 1934 incomes. Taxes for 1935 are payable on this income. Wards three and four, central business and residential areas, had $21.5 and $10.3 millions of the total income assessment.

* * *

Laval des Rapides, Que., has been authorized by the Quebec municipal Commission to pay coupons which fell due Jan. 1 and March 1, 1934.

* * *

St. Ambroise, Que., has been authorized to pay coupons due June 1, 1935.

* * *

Laterriere, Que., is paying coupons on its bonds which were due Nov. 1, 1934.

* * *

Brantford's mayor, M. A. Colquhoun, stated recently that he had "reason to believe" that Ontario will soon assume all municipal costs of unemployment relief, after he had conferred with Hon. David Croll, Ontario Minister of Municipal Affairs. Any such move by the province would remove the financial difficulties of many Ontario municipalities. It would contribute a large sum, however, to the provincial deficit.

* * *

Brantford collections of tax arrears in the first five months of 1935 totalled $157,280 compared with $132,487 in the same 1934 period an increase of $24,793. At the same time, reserve for uncollected taxes in 1935 is $317,337, against $228,106 in 1934 an increase of about $89,000.

* * *

Edmonton city council has suggested to the Union of Alberta Municipalities that a tax of 25 per cent be made on income from all stocks and bonds, the province to collect at the source and remit to municipalities in which the income was received.

* * *

Leaside, in default, has been officially notified that it has been placed under the jurisdiction of the Ontario Department of Municipal Affairs. The treasurer states that 36 per cent of the current tax levy was received from first installment collections. Bank indebtedness has been wiped out and replaced by a credit balance of $2,000.

* * *

St. Benoit-Joseph-Labre, Que., has been authorized by the Quebec Municipal Commission to pay coupons due July 1, 1935.

* * *

St. Simeon Village, Charlevoix, Que., has been authorized to meet interest due July 1, 1935.

* * *

Edmonton tax collections to June 30, 1935, amounted to $1,905,324, an increase of $792,701 over a year ago. Land taxes, current and arrears, accounted for $1,863,692 of the total, compared with a figure of $1,068,659 from this source in the corresponding period of 1934. Land sales this year showed an increase of approximately $1,600.

* * *

Saskatoon collected a total of $667,414 in taxes in the first half of this year. Of this amount $410,373 were on account of the current levy and $257,041 on account of arrears. Corresponding figures to June 30, 1934 were $230,805 current and $125,288 arrears. The increase is attributed to the tax payment campaign inaugurated at the beginning of the year to place the city on a cash basis. The city's public utilities are reported as "doing nicely."

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Bond Sales

Merritton

Town of Merritton has sold $28,000 20-year 4 per cent serial debentures to Dyment, Anderson & Co., Toronto, at 93.70, a cost basis of about 4⅛ per cent.

Dartmouth

Town of Dartmouth, N.S., has sold $30,000 4 per cent debentures to the Nova Scotia Bond Corp., on the following basis: $9,000 20-year debentures at 101.38, a 3.90 per cent cost basis; $12,500 10-year debentures at 101.66, a 3.80 per cent cost basis; and $8,500 5-year debentures at 101.85, a 3.59 cost basis.

Montreal Metropolitan Commission

Metropolitan Commission of Montreal has sold an issue of $1,390,000 two-year 2½ per cent bonds maturing May 1, 1937, and $1,300,000 12-year bonds maturing May 1, 1947, to a syndicate headed by the Bank of Montreal. The offering will be made to the public at prices of 99.32 for the two-year bonds, a yield of 2.90 per cent, and 98 for the 12-year bonds, a yield of 4.21 per cent.

The issue will provide public financing in connection with loans which the commission has been authorized to raise or renew, and in addition, about $800,000 of advances to municipalities for which no loan resolution has yet been passed.

Joliette

City of Joliette has sold $48,000 of 20 year 3½ per cent serial debentures to Beausoleil & Co. at 96.77, a cost basis to the city of 3.83 per cent. Bids were limited for 3½'s, 4's or 4½'s, and were as follows:

	Bids 3½'s	4's	4½'s
Beausoleil & Co.	96.77	....	....
C. H. Burgess & Co.	....	103	....
A. E. Ames & Co.	95	99.52	....
L. G. Beaubien & Co.	95.27	99.06	....
Dom. Securities Corp.	....	98.14	102.02
Credit Anglo-Francais	....	98.15	....
Hanson Bros.	....	95.36	....
Banque Provinciale	....	....	99

EXPECT PROGRESS TOWARD SOLUTION VANCOUVER KRAFT

Meeting to Consider Receivership or Opening of Mill

From Our Own Correspondent

VANCOUVER.—Affairs of Vancouver Kraft Company, which have recently been in litigation, may become more settled following an adjourned meeting of the company next week. This will discuss the proposal of the trustee, National Trust Company, that the company go into receivership.

Vancouver Kraft Company is an F. W. Leadbetter enterprise, organized some years before the business slump in 1929 and which, because of that slump and the subsequent decline in pulp prices, never operated. The mill, almost fully equipped, is located in Howe Sound.

British Columbia supreme court last month called a meeting of bondholders to deal with the receivership proposal, and the meeting went on record as favoring an extension of time. A meeting of the company shareholders on the same day lacked a quorum.

The company defaulted on its bond interest and sinking fund requirements on May 31, 1931. The following year a resolution was passed extending for four years the time for making payments on bond interest coupons due in 1931 and 1934, waiving sinking fund requirements in the years 1931 to 1935. Approval was also given of an agreement entered into by the trustee under which the Columbia River Paper Company was, from date of passage of the resolution, until May 31 1935, to advance to the company sufficient moneys to pay all shutdown expenses necessary for protection of the mortgaged premises under the trust deed and receive therefor general obligation interest notes.

Mr. Leadbetter in a letter to shareholders contends that conditions are becoming more propitious for opening the mill and that receivership now would be particularly unfortunate. He proposes an additional loan of $400,000 to put the company in condition to operate.

Canada Bud Profit Higher In First 5 Months of 1935

Profits of Canada Bud Breweries for the first five months of this year totalled slightly over $42,000, compared with about $16,000 in the corresponding period of 1934.

In explaining why the July dividend was deferred in spite of this earnings increase, officials of the company state that because sales are higher now than in 1934, it is necessary to keep larger inventories, which in turn requires larger cash reserves. Taxation changes whereby payments are made on the ma[illegible] as purchased instead of an a gallonage basis after sales are made, were also a factor in this connection.

SAYS CANADA MUST REBUILD BRITISH FAITH

B. E. Trust Head States, Otherwise Britons Won't Invest Here

Confidence of shocked British investors will have to be restored before they will again lend their savings for the development of Canadian enterprise was the belief expressed by J. Davidson, managing director of British Empire Trust, at the recent annual meeting in London.

Mr. Davidson referred to the effort of Vancouver to reduce rates of interest on its outstanding bonds by 50 per cent, and to Ontario legislation enabling the province to declare "illegal, void and unenforceable" contracts of the Ontario Hydro with four Quebec power companies.

Views on Canada

Said Mr. Davidson: "I personally have no doubt whatever that if a vote were taken in Canada, from the Atlantic to the Pacific today, the incidents would be condemned by the people of Canada as a whole, by an overwhelming vote." He said that the company's investments in Quebec power companies concerned by the Hydro repudiation policy amounted to less than 1 per cent of the trust's holdings.

As a consequence of the Vancouver and Ontario incidents, Canada is being watched closely by British investors, he said. He added: "Our main interest is to see whether any restraining influences are brought to bear to prevent a repetition of such occurrences, as it is self-evident that, so long as such dangers are apprehended by investors here, Canadian enterprise will fail to be accorded that measure of credit and support which the expansion of her industries and the development of her resources require and deserve."

Of the Ontario Hydro policy, he said: "The province, through the Hydro-Electric Commission, having made these contracts, and money having been raised on the strength of such contracts from innocent third parties, it was the duty of the province to honor the contracts."

Of the proposal of Mayor McGeer of Vancouver, to cut that city's interest rates in half, Mr. Davidson said: "I see neither reason nor justice in the attempt on the part of the city to shift its burden from the shoulders of its own citizens, who have had the benefit of the money lent, on to the shoulders of the bondholders."

Montreal Listing Values Little Changed for June

From Our Own Correspondent

MONTREAL.—Value of listings on the Montreal Stock Exchange and the Montreal Curb Market recorded little change in the past month. The total value of securities traded on the two markets amounted to $6,608 millions as at June 28, compared with $6,642 millions at the end of May, a decrease of $34.6 millions.

The only classification on the big board showing an increase was the utility group, which advanced $3.3 millions in value. On the Montreal Curb Market listed stocks gained $24.8 millions. All other groups registered declines.

Inter. P. & P. Securities Plan to Give Up Charter

From Our Own Correspondent

MONTREAL. — International Paper and Power Securities Ltd. intends to make application for leave to surrender its character under the terms of the Quebec Companies Act. This is in line with the plan announced a short time ago, whereby the International Securities Co. and its subsidiaries will be wound up and the assets distributed to International Paper Co. and International Power and Paper Co.

WHAT SHARE-THE-WEALTH MEANS

Because of his "Share-the-Wealth" proposals, President Roosevelt has become the target for the bitter hatred and sharp resentment of wealthy Americans.

Brooking's Institute, which capably measures standards and social conditions, in a recent study showed that about 71 per cent of the families of the United States received much less than $2,500 a year.

In fact, 90 per cent of this group was not in a position to enjoy even a liberal diet.

Why?

In 1929, America's 36 THOUSAND richest families received as much income as America's 11 MILLION poorest families.

The rich families did not spend their income in proportionate lavishness. But they invested their surplus income in capital goods.

Wealthy people receiving high incomes justify it by claiming their money is reinvested.

Reinvested in what?

Reinvested in capital goods.

It is this investment by the wealthy in unnecessary and duplicated businesses and buildings and plans instead of going into foods and clothing and recreation for the masses that is causing so much suffering across United States and Canada.

What does "capital goods" mean?

It means, in many, many cases, more buildings, more railroads, more newspapers, and more businesses to compete for the business and profits of existing firms instead of using the existing firms with their plant and organization to produce more consumer goods—more food, more clothing, more comforts, more services in the way of travel and recreation.

This difference between consumer goods and capital goods is understood by but few people. It is the crux of the condition that cries for change.

If Huey Long or Upton Sinclair or even President Roosevelt better understood the basic needs of their country, they could not successfully make the political appeal to the masses they are making with their share-the-wealth campaign because there is no such thing as sharing the wealth of a factory, for instance.

WHAT COUNTS IS SHARING THE PRODUCTS OF THAT FACTORY.

There is no sense in plant competing with plant. The objective of N. R. A. was to prevent this.

On the other side, if business men understood the basic needs of their country, they would not hate Roosevelt and his policies.

Why?

Because if firms could see the extra business that will come from dealing in consumer goods for the masses instead of investing so much money in so many competitive plants—called capital goods—our business leaders would soon see a swelling of business turnover for everybody.

IT IS THE EXTRA MONEY THAT GOES INTO WAGES THAT COUNTS. INVESTED MONEY THAT GOES INTO DUPLICATIVE AND COMPETITIVE PLANT IS UNSOCIAL AND WASTEFUL. THE PUBLIC IS LEARNING THIS.

If money goes into plant, especially into plant that only duplicates, it stays there and freezes.

But if money goes into wages, men spend that money and give it the fluidity and circulation that are the essence of prosperity.

Assuming that $2,500 per year will provide a high standard of living for a family, if United States and Canada could only get that amount for a few years going to the workers and from them into consumer goods, we would have every individual and every piece of plant on the continent working to capacity.

We would have the more abundant living everyone is talking about. We would attain the social objective everyone is seeking.

Freezing money into capital goods like Rockefeller Centres and Normandies and private yachts gets nobody anywhere.

Money must be made to move with consumer goods. This is the only share-the-wealth program that will work and the only program that will recover prosperity.

"Editorial reprinted from July 2nd issue of The Vancouver Sun."

Catering to neither "plebe" nor "plute," The Vancouver Sun urges the middle rational course for Canadians.

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Injunction Restrains Vancouver's Baby Bonds

An injunction has been granted by the Supreme Court, restraining the city of Vancouver from proceeding with the $1,500,000 issue of "baby" bonds. The decision was made pending trial of an action to declare the bonds illegal.

The injunction was sought by H. R. Bray and J. B. Williams, representing H. L. Smith, president of the Citizens' Protective League. It was argued that the by-laws authorizing the issue were invalid, and that the city has already borrowed to the limit of its authority.

Justice D. A. MacDonald, in giving the order for injunction, concerned himself with only one point raised. This was the contention that the city had not provided for the payment of the bonds by equal annual installments. It was not enough to make the principal installments equal; but the city, according to the judge, should have gone further and amortized principal and interest so that the two would be paid off in equal installments over the ten-year period of the debentures.

P. T. Legare Bondholders Confirm Protective Board

From Our Own Correspondent

MONTREAL.—At the adjourned meeting of holders of 6 per cent first mortgage bonds of P. T. Legaré Co., in bankruptcy, the committee appointed at the meeting held on June 14 consisting of D. I. McLeod, J. E. Fortin, Louis Gelinas, Hon. Lucien Moraud, and M. G. Angus was confirmed. Louis St. Laurent, K.C., is acting as counsel to the committee.

Willis and Co. License Suspended by N. B. Board

From Our Own Correspondent

MONTREAL.—E. A. Willis & Co. certificate to operate as brokers in New Brunswick has been suspended, according to announcement made by the chairman of the New Brunswick Board of Public Utilities. The Willis Co. has been operating four offices in the province, namely at Saint John, Moncton, Campbellton, and Bathurst. All have been closed. The utility board has appointed an auditor to investigate the finances of the company.

Moirs Ltd. Hearing Called for This Month

From Our Own Correspondent

MONTREAL.—Hearing of the suit to restrain the newly-elected directorate of Moirs Ltd., from managing the company's affairs, will open before the Nova Scotia Supreme Court on July 17.

The present directors, headed by President J. B. McKeen and general manager W. B. Proctor, both of Halifax, were elected at the annual meeting May 21, at which the former president, Frank Lewis, resigned with four directors, after his report failed to find approval.

Bond Redemptions

Bond Issues:	Rate	Date	Date	Price
Belding-Cort.	5%	1936	Nov. 1	105
Mond Nickel	5½%	1957	Aug. 1	103
Can. Cons. Felt	§6%	1940	Oct. 1	105
Tor. Housing A	▲5%	1953	Aug. 12	105
Mtl. L. H. Ref. B	5%	1970	Sept. 1	105
L'Hopital Laval	5%	Serial	Aug. 1	102
Can. Copper Ref.	6%	1945	Aug. 15	104
Ont. Power of Niagara Falls	‡5%	1943	July 20	†110
Dom. Tele. Secs.	*5½%	1978	Aug. 2	100
Dom. Canners	*6%	1940	Oct. 1	110

For sinking fund §$65,000. ▲$25,000. ‡$125,246. †Tenders not to exceed this price. *$2,700. *$62,600.

Stock Redemptions

	Date	Rate	Stock	Price
Nat. Telephone	Aug. 1	7%	pref.	†55

†In U. S. funds.

Bond Tenders

10 a.m., July 15, L'Hopital Laval, Quebec—$229,100, 3½ per cent bonds maturing from 1936 to 1955, dated Aug. 1, 1935; $130,900, 3½ per cent bonds, maturing from 1936 to 1955, dated Aug. 1, 1935; $450,000, 4 or 4½ per cent bonds, maturing as follows: $200,000 from 1937 to 1950; $250,000 on Oct. 1, 1950, dated Oct. 1, 1935. J. Arthur LaRue, treas., 71 St. Peter St., Quebec City.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Merritton	July 7	Dyment, Anderson & Co.	4%	.....	$28,000	98.70	
Joliette, Que.	July 8	Beausoleil & Co.	3½%	Serial	48,000	96.77	3.83%
Longueuil, Que.	June 28	Rene T. Leclerc	4½%	20-Ser.	22,200	99.12	.....
Dartmouth, N.S.	July 2	Nova Scotia Bond Corp.	4%	20-yr.	9,000	101.38	3.90%
			4%	10-yr.	12,500	101.66	3.80%
			4%	5-yr.	8,500	101.85	3.59%
Montreal Metropolitan Commission	July 9	Bank of Montreal and Syndicate	2½%	1937	1,390,000	*99.32	2.90%
			4%	1947	1,300,000	*98.00	4.21%

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TORONTO, JULY 13, 1935

GOODBYE TO THE SEVENTEENTH

THE seventeenth Parliament of Canada held six sessions. In each of them there was a desperate struggle to meet the forces of world deflation and to produce both Recovery and Reform. The times have not been favorable and many of the members of the House of Commons will not be returned.

There was never a more turbulent session of the Parliament than the last one. Never was more attempted. History may have to add "nor less of permanent good accomplished."

Not the least of the difficulties under which the members labored was the fact that most of them were men who had been brought up in an era of almost uninterrupted economic expansion who had to legislate in a period of unprecedented depression.

ABSURD INCOME TAXATION

SASKATCHEWAN is unlikely to have men of great wealth living within its borders. Provincial income tax rates are so high that, in combination with federal income tax, the levies virtually preclude any possibility of wealth entering the province.

Recently it was shown in The Financial Post that calculations of Nash & Nash, Edmonton accountants, reveal that in 1936 up to 92 per cent of income may be taken in federal and provincial income taxes in Alberta. In Saskatchewan, the same firm calculates that the combined provincial and Dominion taxes rise to the absurd level where the tax would be 110 per cent of the income. This is shown below:

*Income Taxes Payable in Saskatchewan in 1935

Income $	Total Federal and Provincial Tax $	Percentage of Income %
1,000	....	.....
2,000	11.50	.57
5,000	232.50	4.65
10,000	1,034.25	10.34
15,000	2,380.87	15.87
20,000	4,378.50	21.89
25,000	6,851.77	27.41
50,000	21,055.65	42.11
75,000	38,199.52	50.93
100,000	58,230.90	58.23
150,000	104,249.77	69.50
200,000	154,577.32	77.29
250,000	207,282.60	82.91
300,000	261,562.87	87.19
400,000	374,848.42	93.71
500,000	493,425.97	98.68
750,000	797,889.75	106.39
1,000,000	1,102,389.75	110.24

*Based on income of a married man without dependants, and all "earned" income.

One remarkable fact shown by these figures is that no one in Saskatchewan can retain more income than about $46,000 a year after paying income taxes.

In view of Ontario's impending income tax, these figures are worthy of attention, even though, in Saskatchewan, the higher rates may not apply to any actual income. Ontario officials inform The Post that the closest study is being given to proposed methods of provincial income taxation so that absurdities such as that cited above will be avoided. Nevertheless, it should be clear to students of taxation, including government experts, that rapidly rising rates of taxation of wealth must ultimately tend to defeat their own ends. This is clearly shown in the recent news that two of Ontario's foremost mining fortunes may soon leave the province.

It is noteworthy that the Channel Islands are suggested as the haven where men of wealth settle, to protect their incomes. The lesson in this may well be that some day governments will awaken to the advantage of retaining the legion of benefits derived from citizens with great fortunes. The eventual result may be that there will be competition between jurisdictions to keep taxes as low as possible so as to attract wealth rather than to drive it away.

THE NATIONAL RAILWAY DEFICIT: ANOTHER ESTIMATE

WHEN the Railway Committee of the House of Commons was dealing with Canadian National Railway matters this year reference was made to a speech on the C.N.R. made before the Minneapolis Traffic Club last February by Milton W. Harrison, president of the Securities Owners Association of New York.

The Security Owners Association is a protective body organized to protect the interest of railroad investors. Mr. Harrison was quoted as having given the average annual deficit of the Canadian National Railways, 1923 to 1931, at $173 millions. Members of the railway committee seem to regard this as a perfectly absurd figure.

But is it really absurd? The Duff Commission made it clear that the Canadian National Railways has no adequate policy of providing against depreciation and obsolesence and it has also made it clear that the money advanced on account of capital expenditure is not to be regarded as having all been productively invested. Likewise, there have been large advances by the government to the railway on which no interest was charged although the people of Canada pay interest on this amount and it is properly part of their annual railway costs. Mr. Harrison's estimate was based on a study which made allowance for these factors.

The figures were taken from a report under date of April 20, 1933, entitled "Analysis of the Canadian National Railways problem," prepared by Coverdale and Colpitts, New York firm of consulting engineers. Coverdale and Colpitts in turn utilized as their sources information made available in the report of the Duff Commission, and in the annual reports of the system.

The C.N.R. deficit for the period 1923 to 1931 was estimated by this firm on the following basis:

Annual int. on total liabilities at 5%	$136,997,737
Annual deprec., less amount provided on equipment	9,698,295
Annual deprec. not charged on hotels ...	1,273,128
	$147,969,160
Less average net income available for interest during period 1923-1931	24,414,447
	$123,554,447
Annual outlay on capital expenditures ..	50,705,050
Average annual deficit during period ...	$174,259,763

It will be noticed that this average deficit includes the best and most profitable years in the history of the Canadian National.

Since 1931 the Canadian National has greatly lessened its expenditures for capital purposes but on the other hand the deficits shown since that time have added greatly to the total cost.

The purpose of a parliamentary committee is to get all the facts. But in its recent sittings the select standing committee on railways and shipping showed itself more interested in glossing over our sorry railway record than in placing it clearly before the public for analysis and criticism.

INHERITANCE TAXES AND DEBT REDUCTION

A MEMBER of the staff of The Financial Post asked one of the big financial figures of this continent in New York the other day: "Can there ever be another Henry Ford, John D. Rockefeller, or J. P. Morgan?"

The question, of course, related to the increasing restraints upon the accumulation of capital and upon private energy and private enterprise, not only through controlling legislation but through income taxes and inheritance taxes.

The answer was much to the point. The American financier said: "Yes, we can produce many a J. P. Morgan I, but we will never again see a J. P. Morgan III."

Income taxes are so heavy that they will make much more difficult the building up of large business enterprises and the accumulation of the capital in the hands of individuals. But given a man with a new idea, with simple genius for promoting it, and favorable conditions such as surrounded Henry Ford and John D. Rockefeller, for instance, in the building up of their businesses, it will be possible for billion dollar fortunes to be accumulated again in the future as in the past. There will probably be fewer of them and they will be longer in the making. But due to heavy inheritance taxes, it will be practically impossible for these fortunes to be passed on intact. They will quickly be redistributed. The first death will take a heavy toll, probably upwards of 50 per cent, and in the second and third generation the process of distribution will be largely completed.

Inheritance taxes have always been regarded as a legitimate part of the year's income of the government to which they are paid. It may be that in the future we shall regard inheritance taxes as a redistribution of capital to be used by governments for the repayment of debt or for other capital purposes and not to be regarded as current income. This has been suggested by some correspondence in the London Times. The Times itself attempts a reasoned economic argument to show that there is no more reason for regarding inheritance taxes as destructive of the nation's capital than, for instance, income taxes. They do prevent potential new capital from coming into being but they merely redistribute rather than destroy old capital, The Times thinks. There are some flaws in the argument, however.

The chief advantage of applying inheritance taxes to the reduction of national public debt is that the procedure would at least ensure such reduction. Most sinking funds have been suspended by Canadian governments with a result that nothing is being done to repay our debts. Most politicians are content to let them continue indefinitely.

The best redistribution of wealth that could be devised would be a process of debt reduction which would lift from the backs of the common people the weight of public debt that rests upon them.

WASTE MEANS OPPORTUNITY

EVERY engineer knows that so long as the theoretical capacity of an engine or a machine has not been reached there is opportunity to improve upon it in design and technique. The greater the inefficiency the greater the opportunity for inventive genius.

Likewise in our daily business life there is tremendous opportunity for new investments, for new expansion and for new wealth-creation simply in eliminating waste, doing the daily job better and with less effort.

William Feather, American business man philosopher, tells of a conversation Mark Twain had with a lady who was ill. He told her that he had cured himself of a similar trouble by simply giving up smoking and gambling. When she protested that she did none of these, he replied, "Then you have no capital to work on."

Present day business has a great deal of capital to work upon. It is in the gap between actual and possible production. Sir Arthur Salter has estimated that waste and unproductive methods rob us of nine-tenths of our productive capacity. Other economists have placed the figures at a higher level.

It will not be necessary to open up new lands, to stimulate mass migration movements or even to create new industries in order to provide the world with all the prosperity and wealth it needs to bear the present heavy burden of debt and taxes. Just eliminating waste, just doing things better would be enough. Already obsolescence is spoken of as the greatest single factor in recovery.

WHEN CANADA GOT THE BREAKS

CANADA'S progress has not been slow and orderly. Rather it has consisted of booms and depressions intensified by hysterical excitement. Considering some of the foolish things we have done in our periods of rapid expansion, the wonder is that the subsequent depressions have not been greater than they have been. To some extent, this is because we have been fortunate, on at least three occasions in the last forty years, in escaping the worst consequences of depression. We got the "breaks" when we needed them, and it may be apropos for someone to recall the old saying that the breaks go to the deserving.

This was the theme of a paper recently given at the Canton conference by J. Courtland Elliott, economist of A. E. Ames & Co., Toronto. Mr. Elliott's paper will appear in the proceedings of that Conference and it gives a splendid history of the last forty years of Canadian finance, worthy of a place in such a permanent record.

Canada had loaded itself with a heavy foreign debt in 1914, Mr. Elliott showed. We had assets, but had also large liabilities. We had a huge adverse trade balance which was balanced only by the large capital inflow. It looked as though Canada was in for a crisis. The war saved us that crisis, particularly as we were on the "nominally winning" side.

The sudden reversal of the war-time boom made things look bad in Canada but again a combination of circumstances came to our rescue and diverted the consequences of narrowing external trade and financial isolation. Britain repaid us $316 millions of credit balance arising out of war operations and impoverished Europe had to draw upon our storehouse of food. Due to these and other circumstances we again evaded a crisis.

We entered another "New Era" in which we did many foolish things, assuming enormous liabilities while we were investing our own capital abroad in securities which were to prove to a very large extent worthless. Once the depression came we began to tighten our belt and adjust ourselves to new conditions. Just when the crisis deepened, the United States abandoned gold, devalued its dollar, put our currency around par in New York and nearer to the pound sterling in London and gave us relief from international pressure.

Mr. Elliott hopes we have learned some lessons and that we will be content with less national excitement but more orderly progress in the future and that we may not be content to let our debts run and invest our assets abroad. But he feels that our future prosperity must be gained more from inside our borders than from the outside.

SENATE DID GOOD WORK

THE country has gained a new respect for the Senate as a result of the last session of Parliament. Bills were rushed through the Commons, often carelessly and thoughtlessly, but the Senate insisted upon some reasonable degree of caution in the drafting of legislation and upon thorough consideration of measures. Its labors were unjustly increased by the slipshod work of the Commons. If the New Deal legislation proves workable in any respect it will be largely because the Senate has attempted to make it so.

For his refusal to be bullied into passing bills that obviously did not make sense the country owes much to Rt. Hon. Arthur Meighen, government leader in the Upper House. The country may long have cause to remember what were almost his last words of the session. He said:

"It is all right to be marching along the road of reform, to be living up to the perhaps evanescent psychology of the day, but it is still wiser to keep looking around to see that you are basing your conduct on the immortal ground of common sense."

Post-Scripts

A WRITER in United Empire attempts an analysis of the intellectual tendencies in the Dominions. He studies first the British born peoples represented in the Encyclopedia Britannica and finds that approximately 1,700 of them were born in Great Britain, 71 in Canada, 19 in Australia, 6 in New Zealand, 20 in South Africa, 13 in India and 11 in various British Islands.

Of the 71 famous Canadians, 18 were born in the Maritime Provinces, 23 in Quebec, of whom 16 were French, and 25 in Ontario. The western provinces are too new, he points out, to have made their mark in the intellectual world.

Many of those born in Great Britain have achieved fame in Canada or the other Dominions but a still larger number of those from the Dominions have travelled to Britain to do their best work.

The writer feels that the new overseas civilizations may take a century or more to develop a distinctive intellectual quality and calibre of their own. He makes this forecast of the type of national character which should eventually develop in the Dominion:

"The Canadian will tend, both by ancestry and environment, to prefer the personal and human angle of approach to the impersonal, the scientific, and the statistical. He will incline to the tolerant and open mind; and unless his feelings are so deeply involved as to distort and narrow his vision, he will usually see both sides of a case. He will seek (what he will not always get in this obstinate world) agreement by compromise and consent on broad and equitable lines rather than victory by force on a more restricted basis.

"The culture that develops in the senior Dominion should therefore be inclusive rather than exclusive, organic and vital rather than systematic and defined, and its social philosophy will recognize the imponderables as potential but important factors in the business of life and equipment of a complete civilization."

Sayings of the Week

"I cannot laugh at my own cartoons."—*Walt Disney.*

* * *

"You have left liberty to nobody except to people like me."—*G. K. Chesterton.*

* * *

"The London boy, as I understand him, is a small, apple-eating animal."—*Lord Hewart.*

* * *

"My oration is one of the greatest speeches ever made in the Senate."—*Senator Huey Long.*

* * *

"The English people do not know what freedom is, never having had any."—*Bernard Shaw.*

* * *

"The Chinese have preserved too many shortcomings of the Chinese civilization."—*Dr. Hu Shih.*

* * *

"There are two kinds of fools. One says, 'This is old, therefore it is good'; the other says, 'This is new, therefore it is better.'"—*Dean Inge.*

* * *

"A New Deal relates itself somehow to playing cards, and cards are largely used for gambling purposes."—*U. S. Senator Carter Glass.*

* * *

"Americans are not by any means a reserved people. The only excess reserves I have found are in the member banks."—*Sir Josiah Stamp.*

* * *

"A civilization built upon the private ownership of property cannot survive the destruction of the substance of ownership."—*Ogden L. Mills.*

* * *

"The highest wage scale is the best wage scale, providing it is not out of balance with other factors in the national economy."—*Alfred P. Sloan, Jr.*

* * *

"Anything that smacks of repudiation of the obligations of this country, this young community cannot afford to permit."—*Rt. Hon. R. B. Bennett.*

* * *

"The frontiers of science, invention, the possibilities of human intelligence and human betterment as yet are but barely penetrated by men."—*Herbert Hoover.*

* * *

"Morals, like laws, were invented for our neighbors, and it is our secret conviction that we ourselves could get along very well without them."—*Will Durant.*

* * *

"I am inclined to the opinion that people who 'tremble to think' are nearly always wrong. I doubt whether they tremble, and I am sure they seldom think."—*Robert Lynd.*

* * *

"If there is one thing on which the American people is unanimous today, that thing is a desire and determination to remain at peace with other nations."—*U. S. Secretary of State Cordell Hull.*

* * *

"A country may have immense and undeveloped resources, but they do not become wealth until and unless they are related to the demands and uses of the rest of the world."—*Lord Tweedsmuir.*

The World at Large

Ethiopia

Mussolini Diversion Harbors Grave Complications for Britain

By JOHN A. STEVENSON

Some malign imp seems to be perpetually bedeviling the political situation in distracted Europe. New crises are created month after month. No sooner is one fracas or source of friction cleared up than another, usually worse looking than its predecessor, emerges.

Just when Hitler is supposed to be beginning to show signs of reasonableness, his original model, Mussolini, goes on the rampage. He sets the nerves of every Foreign Office on edge by his activities present and prospective. He has got himself involved in a violent quarrel with Ethiopia. This is the one fully independent state surviving on the African continent, and is also a member in good standing of the League of Nations.

Old Quarrel Revived

The quarrel is the culmination of long standing friction arising out of disputes on the common frontier between Ethiopia and the Italian colony of Erithrea. Mussolini contends that the Ethiopians by their brutalities to Italian subjects and their studied affronts have exhausted his patience. Their general conduct, he argues, clearly stamps them as a barbarous and dangerous nation. It is the solemn duty of Italy to assume control of their destinies, end the present misrule of the Emperor Halassie and bring to his people the benefits of settled law and order. So Mussolini has made demands in the form of an ultimatum which he knows the Ethiopians will never accept. He has bluntly rejected proposals for arbitration under the auspices of the League which both countries are pledged to accept. He has been pouring troops into his African colony with the avowed intention of beginning hostilities as soon as the rainy season is over early in October.

Meanwhile Il Duce has been making bellicose speeches at home to audiences of his Blackshirts and has been uttering thunderous warnings that if the League of Nations tries to interfere with his plans, he will forthwith shake the dust of Geneva off his feet.

A Diversion

A shrewd suspicion prevails that Mussolini has embarked upon his present adventures with the prime objective of diverting public attention from an acute economic and financial crisis which has been maturing in Italy for some time past. The financial resources of Italy have been strained to the limit to preserve at least the fiction that the country remains on the gold standard, exporters have seen their business fade away, domestic trade has been languishing, the cost of living has been rising and real wages have been falling rapidly. Such conditions make for widespread dissatisfaction with the Fascist régime and there is accumulating evidence that it is now being subjected to a fire of criticism on a scale not known before.

It has long been a favorite device of dictatorial governments to try and restore popularity by a victorious foreign war. Mussolini probably thinks that if he could revenge the humiliation inflicted on the Italians by the Ethiopians at the battle of Adowa nearly forty years ago, his prestige would be restored.

But a war with Ethiopia has unhappy memories for the Italian people. Apparently it is not any too popular. At least it is reported that substantial numbers of Italian soldiers are deserting every week and crossing the frontier into Austria or Switzerland.

Difficult for Britain

Mussolini's bellicosity creates a peculiarly difficult situation for the British Government. The latter is pledged to support the League and its Covenant and it has just had evidence from the result of the Peace Ballot that the people of Great Britain favor the League by an overwhelming majority. Now if Mussolini defies the League and forswears his obligations to arbitrate under the covenant and the Kellogg pact, Italy will certainly rank as an aggressor state. Britain will be expected to take the lead in enforcing the measures necessary to restrain such an aggressor.

If Britain could rely upon the support of France for such action, she would probably not hesitate to take active steps for checkmating Mussolini. Unfortunately, however, the French are still nursing a bitter grievance about the Anglo-German naval treaty and especially about the methods by which it was negotiated. Nor was their temper improved by certain developments which followed the conclusion of this Treaty.

French are Cool

When Capt. Eden went to Paris to try and pacify the French Government, Premier Laval said that it might help matters if the German plans for naval construction were revealed to the French. Capt. Eden promised blithely that this would be done, knowing that they were in the hands of the British Government. But when he got back to London he found that the British Admiralty had given its word to the Germans not to disclose these plans until certain eventualities occurred. So Capt. Eden had to report that he could not keep his word and French suspicions of British good faith were deepened.

The French are now firmly convinced that Britain is playing a double game and can no longer be regarded as a reliable ally. Paris has patched up its differences with Italy and it is not going to run the risk of throwing her into the arms of Germany. So the French Government has politely informed the British that it is not prepared to help in the disciplining of Italy. If Britain wants to undertake this job she must do it mainly by herself. Ethiopia has made an appeal to the United States but the Roosevelt administration has quietly evaded the issue.

The British Government has tried to buy off the Italians by offering them a slice of its own colonial territory in East Africa but the Italians have rejected the offer with scorn.

The fat may be in the fire any day. Another source of anxiety to the British Government apart from the wreckage of the League is that a war between Italy and Ethiopia is certain to create grave unrest among the black people all over Africa, millions of whom are under British rule.

As Others See Us

Maritimes Lead
Halifax Herald

The Toronto Financial Post has devoted a supplement of its issue of June 22 to a survey of conditions in these Maritime provinces. The work has been well done and the results are recorded in clear and attractive form. The Financial Post itself furnishes the key to its conclusions in the headline, "Maritimes Continue to Lead Way Toward Recovery."

The survey contains some recent history, and leaves no part of industry, social progress or finance untouched. Many of the comments, coming as they do from a fresh point of view, are both interesting and instructive.

That portion under the heading "Maritime Journey" is a faithful and vivid picture of a countryside which, on another occasion, had been described by an English visitor as "a land of beauty wreathed in smiles." The writer of the articles in The Financial Post has done the Tourist agencies a service of great value.

Altogether, the supplement of fourteen pages has been well done and exhibits commendable journalistic enterprise.

Railway Abandonment
St. Stephen Courier

The Financial Post, whose opinions are usually well founded, appears to be on insecure footing when it attempts to point to the chartered banks of Canada as an example for the railways. While it is true that in recent years branch banks have been reduced from 4,600 to 3,500 in number, or 23 per cent, as against a reduction in railway mileage of only 600 miles, or 1½ per cent (not yet entirely authorized) it is obvious that there is no basis for comparing the two kinds of business. A few years ago many small communities had two or three banks where one is functioning with equal satisfaction today, but duplicate railway facilities are not nearly as widespread. There are, admittedly, districts where one line of railway could be abandoned profitably and without serious harm, and where this could be done there would be few to raise objection. In the case of the Shore Line, however, which is typical of some of the sections proposed to be abandoned, such action would cause serious hardship to an important section of the population.

Other People's Views

Tax Scramble
Maclean's Magazine

The Topsy who "just growed" had nothing on Canada's epidemic of rulership.

Contemplate your national government, your nine provincial governments, the hundreds of overlapping service departments, your 3,963 local tax levying authorities, your 23,860 local school boards, which levy taxes, or for whom taxes are levied.

Not only is a reduction in the legislative set-up needed, but also a general realignment of the provisions under which municipalities and local councils of all sorts come into being and assume powers.

And 23,860 school boards do not give us the best educational system in the world after all.

South Africa has an excellent system of education under one national board.

Then we need a nation-wide plan of scientific taxation to take the place of the free-for-all scramble under which we now suffer.

Big tasks these, but not beyond achievement.

An Interesting Experiment
Hamilton Herald

A letter to the editor of the Toronto Globe began: "Whether the Aberhart scheme will succeed or not it is impossible to say, but at any rate I hope he will be given an opportunity of putting it into operation; it will be a most interesting experiment, and a real education as to the principles underlying our methods of production and distribution."

There is a certain sort of social theorist who is as tough as the hard-boiled surgeon who cuts down into a patient's vitals in order to find out if a certain sort of operation is possible, but the difference is that the surgeon is usually on sounder ground and is driving toward a known objective, whereas the theorist in question is pretty vague about what he or she really wants.

"It will be a most interesting experiment and a real education . . .!" Well, it certainly should be. If it is tried and fails, we shall have in our midst a province with ruined credit, peopled by dissatisfied bankrupts who have been given a brief glimpse of what they conceived to be paradise, and we shall probably find that our whole intricate financial system has been pretty badly dislocated. An education indeed!

It was Nero who set fire to Rome so that he could find the inspiration to write a sonnet. Some economic theorist might be enabled, by the ruin of Alberta, to write a complete refutation of the Aberhart Plan.

Stop Me If You've Heard This One

Pat determined to pass his favorite tavern on his way home. As he approached it he became somewhat shaky, but, after plucking up courage, he passed it. Then, after going about fifty yards, he turned, saying to himself: "Well done, Pat, me boy. Come back and I'll treat ye."

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The Week in Business

People Want To Get Away

PEOPLE are going places in a big way this year. In their keen desire to leave the city behind, more than 40,000 would-be travellers have been calling the C.N.R. office in Toronto each week. As they are continuing to increase, the company announces a new high-speed switchboard of the brokerage type capable of handling 50,000 calls a week.

Water travel is also reported to be remarkably higher than a year ago, showing a general increase of 25 per cent. Canada Steamships reports the largest summer travel since 1930, while ocean lines report reservations being made months in advance, an unheard-of practice during the last four years. Hotels and resorts are doing better, and every Canadian province is having a bigger tourist year.

Put More "Nip" in Cheese

GOOD bread and cheese and beer before going to bed never hurt anyone. So remarked a prominent member of the church in England recently who said that in his school days all the boys got this "ration" before retiring. But since then there has been a considerable decline in cheese consumption.

Here's one reason cited for the drop in sales. "Empire," and especially Canadian cheese is cheap, looks delicious, but has no "nip." The suggestion is made to exporters to keep Canadian cheese in store longer. Then it would be on a par with the best English product and get a far higher price.

And "nippier" cheese would help to solve some of our wheat problems. For if the cheese is tasty, it means extra slices of bread for additional helpings. After all, one is the complement of the other, and both mean plenty to Canadian farmers in dollars and cents.

Movers to Move Rates Higher

IT IS stated that Toronto citizens wanting to move next fall will pay approximately twice the present rate for the privilege. That is, if the large firms in the field are called, for a doubling of rates is under study now. The practice of estimating is to be discontinued, and a flat hourly rate substituted.

Of course, this will likely open the way to a mushroom growth of cut-rate movers. Whether the present firms will enlist under the Industrial Standards Act is problematical.

Up 100 Per Cent

BETWEEN 1933 and 1935 fiscal year, Canadian exports to Empire countries jumped more than 100 per cent. This record is remarkable in view of natural limitation upon volume of goods that can be advantageously exchanged.

For instance, our exports to Australia were valued at $7 millions in 1933. In the fiscal year just closed they reached $18 millions. South Africa shows much the same trend, with an increase to $12 millions from $4 millions. While New Zealand doubled to $7 millions from $3.5 millions.

Business Recovery Postponed

"THE seasonal expansion in industry has now been arrested," says the monthly commercial letter of The Canadian Bank of Commerce, "and general business activity waits upon new conditioning factors."

Which is much the same condition as in the United States, although the American scene seems somewhat darker. For in the opinion of the New York Journal of Commerce, "a postponement of further substantial business recovery until the spring or summer of next year is anticipated by a number of careful observers."

The pace in both countries is slackening, because the sensational business sprint in the spring months could not be continued indefinitely. On each side of the border a revival in private building is held necessary for a really substantial further upturn.

"Can" The Beer

BEER in the United States is "canned." It started a few months ago when the American Can Co. started turning out 180,000 beer cans a day. Now its rival Continental Can Co. announces that it will be in the market within 60 days.

But it is a new style trend which has not yet been thoroughly tested. So far contracts are being entered on a trial basis as brewers are not sure as to what the size of the ultimate market may be. No test has been made of "canned" beer in the big cities, but brewery officials say they like the idea.

Name Your Man

NAME badges are now pinned on employees of Dominion Stores. And both customers and employees seem to like it. Customers find they can remember an employee's name better if they actually see it; employees are pleased because they prefer to be referred to by name, rather than as "that thin, red-faced man, etc."

"Mother Campaign"

A GIRL'S bare leg, or the odd few million, do not make hosiery manufacturers feel any happier, while hatless young men do not particularly meet with approval from the hatters. But there is little to be done about such fads except by getting them when they're young.

So now the hatters are thinking of turning the big advertising guns on the "no-hat brigade." You can't convince a young man he is going to catch his death of cold without a hat. But you can, by a well-directed "mother campaign," tell the folks that it is bad, for many reasons, for little Johnnie to go around bare-headed.

Business Indicators

Car Loadings—A total of 45,436 cars showed little change from the previous week or the same week last year. Coal, lumber, and pulp and paper loadings increased, but grain, livestock, merchandise, and miscellaneous loadings dropped. For the first half year total loadings were 1,113,985 cars, or 19,171 cars above the 1934 figure. Excluding declines of 15 per cent in grain loadings, 25 per cent in coke and eight per cent in lumber, all other commodities recorded increases.

Milling—A total of 5.2 million bushels of wheat were ground in Canadian mills during May compared with 5.3 bushels in the same month last year. Oats, corn, and mixed grain were higher this year, but other coarse grains were lower.

Footwear—Output of footwear in May totalled slightly more than two million pair which was an increase of 147,755 pairs over May of last year. At the same time the figure for the first five months production reached 8.9 million pairs, compared with 7.6 million last year.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1935	Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (June 29)	▲45,436	46,645	1,113,985	1,094,814
C.P.R. gross earn. (June 30)	$ ▲3,188,000	$ 3,504,000	$ 56,525,000	$ 57,210,000
C.N.R. gross earn. (June 30)	$ ▲4,251,729	$ 4,482,483	$ 80,143,313	$ 79,496,747
Business Conditions—				
Weekly index D.B.S. (June 22)	99.7	92.7	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (May)‡	99.6	96.7	......	......
Transportation—				
C.P.R. net earnings (May)	$ 1,143,913	$ 1,801,927	$ 4,658,206	$ 6,298,832
C.N.R. net revenue (May)	$ 656,319	$ 1,819,036	$ 2,673,397	$ 3,390,248
Iron and Steel (May)				
Pig iron production (tons)	45,432	38,189	215,222	120,521
Steel ingots and castings prod., (tons)	72,811	71,437	314,713	333,509
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	13,832	11,868	47,127	35,614
Factory output (May)	17,093	16,504	78,114	56,274
Trucks and Buses:				
Domestic sales* (May)	2,694	1,899	8,973	5,120
Factory output (May)	3,672	3,657	17,470	11,905
Exports (May)	6,499	4,242	28,705	18,613
Construction—				
Building permits (May)	$ 4,799,285	$ 3,019,761	$ 19,486,105	$ 7,999,917
Contracts awarded (June)	$ 18,521,400	$ 12,208,900	$ 75,594,500	$ 60,916,700
Newsprint (tons)				
Production (May)	242,693	242,539	1,052,883	1,031,996
Exports (May)	239,880	207,070	936,333	923,281
Sugar (lb.)				
Melting & shipments§	▲93,608,459	90,494,545	291,101,960	239,210,876
Manufactured§	▲87,364,302	84,064,288	294,392,109	232,863,257
Flour (bbls.)				
Production (May)	▲1,164,322	1,175,433	5,142,549	5,472,776
Wheat flour exports (May)	383,221	481,725	1,813,424	2,092,547
Trade (May)				
Imports	$ 54,547,747	$ 52,886,861	$ 213,648,704	$ 201,203,958
Exports	$ 62,100,691	$ 51,899,511	$ 248,395,960	$ 231,623,533
Wheat exports (bush.) (May)	11,989,891	19,023,770	38,510,899	46,296,411
Employment, D.B.S. Index—				
All industries (June 1)	95.1	96.6	......	......
Manufacturing	95.4	93.2	......	......
Electric Power Output (May)				
Total monthly (000's omitted)	1,923,071	1,830,820	9,563,841	8,665,752
Aver. daily	62,034,000	59,059,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (May)	129,517	112,777	457,365	503,929
Boot & shoe prod., pr. (May)	▲2,032,751	1,884,996	8,907,936	7,580,843
Crude petrol., imp. gal., (May)	113,131,917	98,879,935	310,749,567	313,274,734
Cotton imports, lb., (May)	6,316,015	15,987,306	43,654,569	59,208,757
Raw rubber imp., lb. (May)	8,800,907	4,967,810	26,724,481	26,033,374
Coal imports, tons (May)	1,485,060	1,548,268	3,639,790	3,668,548
Finance—				
Bank debits† (May)	$ 3,132,209	$ 3,128,964	$ 12,505,825	$ 12,840,587
Bond sales (May)	$ 58,977,182	$ 75,306,737	$ 218,354,656	$ 180,838,335
Life insurance sales (May)	$ 27,423,000	$ 33,184,000	$ 149,445,000	$ 155,808,000
Automobile Financing—				
Used cars (May)	$ 2,478,268	$ 1,953,204	$ 7,186,121	$ 5,213,586
New cars (May)	$ 3,668,725	$ 2,852,630	$ 10,463,413	$ 7,170,776

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to June 15. ‡Final.

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Private Brand Products Increase In Importance

Nationally Advertised Products Hold Lead — Private Brands Expand With Growth of Voluntary Buying Groups—Price Big Factor—Foodstuffs, Drugs, and Toiletries Favorite Fields

The battle of the brands continues. The arena is largely the retail sales field. The opponents are private brands and nationally advertised products. While the buying public, principally because of the depression-reduced dollar, acts as referee.

What are these private brands which have made a definite dent in Canada's wholesale-retail trade of the last few years?

Meaning of Term

Generally speaking it is a brand put up by a wholesaler or retailer for resale through the dealer to the general public. On this basis there are thousands of private brands, especially of the food variety, being sold throughout the Dominion. Here are a few of the better known ones: Red and White, Bokar, Richmello, I.D.A., Eatonia, and Adanac.

Reasons for Private Brands

There are various reasons why wholesalers and retailers go into the private brand business. One of the most important is the larger margin of profit over most national brands. Another is that the distributor wants something that cannot be cut in price. Also the distributor likes a product to identify himself and his store among customers.

Striking Example

Last year A. & P. stores in the United States sold an average of 16,000 pounds of coffee per store. But only 5 per cent of the coffee sold by this mammoth chain is nationally or sectionally advertised. The 95 per cent balance is made up by private brand sales.

Biggest in United States

A Federal Trade Commission survey made in the United States in 1930 showed that of the 276 chain store systems reporting, private brand sales amounted to more than $750 millions. The report stressed an enormous increase since 1925 in dollar volume of these sales. Coffee headed the list, followed by tea, mayonnaise, canned milk, and butter.

In the drug field the most popular private brands cover cough syrup, corn remedies, and tooth paste. But this range of products has been considerably widened even within the last few years.

In fact, within the last eight months, approximately 40 new branded drug products have been introduced into Canada by Rexall drug stores. Sales of these products have produced new business to the tune of $6.5 million.

Growing in Canada

Trade trends are much the same in Canada as in the United States. And the recent expansion in voluntary buying groups, which is a stimulus to private brand merchandising, is decidedly noticeable in Canada, where the number of voluntary chain organizations has increased to 32 in 1933 from 24 in 1930. The number of stores has increased to 6,689 from 4,485, while their total purchases at wholesale prices have gone to $28.6 millions from $22.8 millions.

Tires and Paints

Tire companies in Canada, as across the border, use private brand names. In fact, the Price Spreads report recommends that the name of the manufacturer appear plainly on all tires to eliminate discrimination of the private brand tire.

The paint business is riddled with private brands and unadvertised brands. For instance, the York Trading Co. of Toronto, a voluntary buying group, has its own private D.H.S. brand of paint which is sold extensively in upwards of 200 stores.

Private Brand Drugs

Coming to the drug field in Canada, where private brands have shown a big increase during the last few years, the key concern is the Drug Trading Co. of Toronto. This voluntary buying group composed of 945 druggists did a business last year of slightly more than $4 millions, an increase of $315,000 over the previous year. The company's private brand is known as I.D.A., and there are 212 members signed under this head.

The president reported that "there was 50 per cent more I.D.A. merchandise sold in 1934 than in the previous year." Here are a few comparative figures on sales of particular branded products of this company to show how private brands are making inroads in the drug business:

Aromatic Cascara	5	times as much
Tincture Iodine	8	" " "
A.B.S. & C. Tablets	10	" " "
Cod Liver Oil	13½	" " "
Health Salts	15½	" " "
Milk of Magnesia	30	" " "
Velvetta Balm	30	" " "
Aspirin substitute	33	" " "
Mineral Oil	47	" " "

Last year the company rebated 11 per cent to its members. It claimed that part of the saving comes through having only two travellers.

Bulk to Private Brands

One reason often given for the recent increase in private brand sales is that they are merely a part of the transition which has been going on during the last 50 years from bulk merchandise to packaged goods.

On this basis it is claimed that a large proportion of the private brands offered by retailers today are merely those private brand lines which are taking the place of private bulk lines which filled drug and grocery stores during past years. On the other hand, the price factor and substitution are listed as two important factors helping to promote the growth of private brand sales.

National Products Still Lead

But while there is no denying but that private brands are making inroads into the wholesale-retail field, it is also safe to say that they still account for a fairly small percentage of the total trade. But these brands are, nevertheless, becoming a key problem in the distributing system, and raise a big question as to what effect their increased sales are going to have on Canadian wholesalers and retailers in the future.

Note: The next article will deal with nationally advertised products and carry a tabulation showing how leading trademarked brands are still preferred by most Canadian shoppers.

WHOLESALE TRADE MAKES BIG GAINS DURING PAST YEAR

Every Kind of Wholesale Business Had Higher 1934 Sales Volume

Every kind of wholesale business marked up higher sales figures in 1934 over the preceding year, according to figures compiled by the Dominion Bureau of Statistics.

The gains range from 1.5 per cent in the case of dairy and poultry products to 45.1 for miscellaneous machinery. The rise in wholesale prices during 1934 has, undoubtedly, contributed to advances in sales volume, but in many lines of trade the increases in sales considerably exceeded the advance in prices.

Down Most Up Highest

The largest increases in sales during 1934 compared with 1933 are shown generally for those trades which suffered the most severe losses during the depression. The construction group—lumber, plumbing, machinery and electrical goods—shows the largest gains, ranging from 35.9 to 24.6 per cent for the trades mentioned. While from 1930 to 1933 the decline in these kinds of business varied from 57 to 64 per cent.

Group Gains

Firms reporting in the food group show a total gain of 12.1 per cent. Drugs were higher by 4.6 per cent; coal and coke by 21.9 per cent; dry goods by 11.4 per cent, and paper products up 10.2 per cent.

These figures are preliminary but are based on actual sales reported by a large number of representative wholesale firms in Canada. An analysis of the changes in the value of wholesale trade by kinds of business follows:

Changes in Wholesale Trade

	Sales Reported 1934 $	Sales Reported 1933 $	Change %
Amusement, sporting goods, etc.	2,197,781	1,960,570	+12.1
Automotive parts and tires	10,841,904	9,287,737	+16.7
Chemicals and paints	5,551,901	4,777,496	+16.2
Drugs and drug sundries	18,759,397	17,926,526	+4.6
Coal and coke	38,988,923	31,976,870	+21.9
Dry goods and apparel	49,896,728	44,777,333	+11.4
Electrical	9,151,118	6,100,606	+33.6
Groceries	159,752,867	149,493,858	+6.9
Dairy & poultry	16,660,502	16,409,065	+1.5
Fruits and vegetables	40,750,345	35,729,021	+14.1
Meats and fish	105,382,461	86,039,817	+22.5
Furniture	5,787,767	4,814,760	+20.2
General merchandise	7,526,933	6,263,328	+20.2
Hardware	41,664,444	33,997,998	+22.5
Jewellery and optical goods	5,436,295	4,571,808	+18.9
Leather and leather goods	5,121,390	4,514,090	+13.5
Lumber and building materials	16,311,648	12,005,883	+35.9
Commercial machinery	2,394,949	2,121,647	+12.9
Farm machinery	3,206,377	2,253,426	+42.3
Professional equipment	4,342,473	4,041,892	+7.4
All other machinery	8,542,818	5,886,208	+45.1
Metals and metal work	6,280,863	4,364,035	+43.9
Paper and paper products	15,254,794	13,837,924	+10.2
Plumbing & heating equipment	4,144,724	3,325,396	+24.6
Tobacco and confectionery	24,643,959	22,531,510	+9.4

New Industries and Plant Extensions

Compiled Weekly By The Financial Post

Canadian Heater Co., Hamilton, has been purchased by Fred C. Moore, general manager of New Idea Furnaces, Ltd., Ingersoll, where the equipment of the plant will be moved.

Aluminum Co., Arvida, Quebec, will have the new $1 million plant completed and in operation by March, 1936. The new plant will treat bauxite, the ore from which aluminum is made, by a special chemical successfully used in other countries but different from any previously used in Canada. (Montreal Star).

Goderich Manufacturing Co., Goderich, Ontario, has purchased the timber limits controlled by the R. E. Olds interests in the Batchawana and Gargantua areas. Algoma hardwoods are to be cut and manufactured into furniture. (Sault Ste. Marie Star).

Electric Reduction Co. of Canada, Ltd., a chemical manufacturing plant located at Buckingham, Que., has been incorporated with a capital of $1 million. The company is now owned and operated by Canadian people with Canadian interests which have been acquired from the original English interests. (Ottawa Journal).

Arnold Motor Accessory Mfg. Co., Ltd., has taken over a part of the Weston Bread Co.'s plant on Wellington St., Woodstock, and the production of Arnold defrosters, windshield wipers, motors, and other automobile accessories will begin shortly. E. F. Dingeman is president of the newly-formed company. (Woodstock Sentinel-Review).

June Studebaker Sales Have Gain of 70 Per Cent

Studebaker's sales in June were 70 per cent higher than in 1934. This was the best of any identical month since 1929, according to a statement by M. S. Brooks, vice-president and general manager of the Studebaker Corp. of Canada, Ltd.

"A comparison of June shipments during 1935 and 1934 reveals that passenger cars are currently showing a 65 per cent advance, while trucks have registered a gain of 144 per cent," he said.

HALIFAX SHIPYARDS DOING MORE BUSINESS

Ship Repair Contracts Keep Dosco Subsidiary Active

From Our Own Correspondent

MONTREAL. — Business handled to date by Halifax Shipyards Ltd., subsidiary of Dominion Steel and Coal Corp., and prospects for the balance of the year, indicate that the company will have one of the busiest seasons in some years.

The Silver Line freighter, the Silveryew, repair job has just been completed. The Imperial Oil Tanker, C. O. Stillman, is undergoing repairs at the dock yards, while another Imperial Oil tanker, the Ontariolite, left the yards last week-end. The car ferry Scotia 1, from the Strait of Canso, is now in dock for overhauling and repairs.

Contract for repairing the Collier Kafiristan, badly damaged in a collision with the Canadian Pacific Empress of Britain, has been secured by the Halifax yards. Temporary repairs are being made at Sydney and the collier will be towed to Halifax by the Foundation Franklin. The job is expected to take a month to complete, the entire bow having been cut off.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.15	$7.50	$6.75
Hogs	10.80	10.40	9.85
Copper, lb.	.08	.08	.09
Cotton, lb.	.1235	.1215	.1210
Rubber, lb.	.1218	.1243	.1456
Sugar, raw, lb.	.0329	.0329	.0315
Silk, lb.	1.42	1.42	1.22½
Wheat (Man.) bus.	.80	.81¾	.75½
Coffee, lb.	.08⅝	.08⅝	.09½

Weekly Indices

N. Y. Annalist	122.8	121.7	113.6
Fishers'	81.7	81.6	77.8
N. Y. Journal of Comm.	77.9	77.7	75.1
Crumps (Brit.)	64.1	64.4	64.1
U. S. Labor	78.9	79.3	74.8
Canada (D.B.S.)	71.3	71.5	71.9

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (May)	78.8	78.8	78.5
W'sale (June)	71.3	72.3	72.1
U. S. Labor (May)	80.2	80.1	73.7
Gt. Brit. (Mar.)	66.1	66.4	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man North., Ft. W. Pt. A. basis: hides—heavy native steers: select bacons, Toronto.

Prairie Gold Output

The April production of gold for Manitoba and Saskatchewan is placed at 15,988 ounces, which at current gold prices is valued at $562,297.

Speak Louder

Keep It, or Tell the World, Rules Honey Dew

If you really want to keep a secret don't talk to a member of a Honey Dew staff.

Not because the attractive ladies will let the cat out of the bag. But store regulations require that talk between customers and staff members must be loud enough for anyone within reasonable distance to hear.

Business is business in the 45 wicker-chair, self-serve, coast-to-coast luncheonette shops of this company, for girls behind the counter are most considerate of the customer's enjoyment and also follow the rules of the anti-whispering campaign.

Making loud talking necessary apparently eases the strain on ears trying to pick up a neighbor's gossip, and thus increases harmony. In any case, company officials state it improves staff discipline and is a feature appreciated by customers.

New Products

Gminder Process — by means of which fibre plants such as flax, hemp, ramie, etc., are treated so that they can be spun and woven with cotton, by cotton machinery, into material with the characteristics of linen. The resulting fabric is being marketed in England at the present time under the registered name of "Merlin." C. D. Silas, director and general manager of Lintex Ltd., England, which holds the world rights to the Gminder Process, has been in Montreal looking over possible sites for a Quebec branch of the company. Canada already grows a fair amount of raw material.

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TORONTO (Founded 1829)

Upper School for Boys from 14-18. Preparatory School 8-14.

Both Boarders and Day Boys admitted.

Boys prepared for Universities, Royal Military College and Business. For prospectus with full information apply to the Secretary. Fifteen Entrance Scholarships have been founded in memory of the "Old Boys" who fell in the Great War, and are open for competition in April of each year. At same time examinations are held for the Preparatory School Bursaries which are open to boys whose parents cannot afford regular fees.

For particulars, copies of papers, etc., apply to the Principal.

Autumn Term opens Wednesday, September 11th, at 9.15 a.m.

T. W. L. MACDERMOT, M.A., *Principal.*

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Cost of Living

The general cost of living index in Canada remained unchanged at 78.7 for June, an increase in the food group being offset by easier prices for clothing and fuel. Declines in women's apparel caused the quarterly clothing index to move down to 69.9 from 70.3. The fuel group fell to 84.9 from 86.1 as a result of further seasonal reductions in coal and coke prices.

THE SMOKE OF THE BRITISH EMPIRE

A shilling in London —a quarter here.

W. D. & H. O. WILLS'
GOLD FLAKE
CORK TIP OR PLAIN
CIGARETTES

Pocket tin of fifty —55 cents

Jack Hulbert, besides being a singer, dancer and fun-maker extraordinary, is renowned for a sparkling and unique personality. Through his riotous antics and dancing eccentricities, his name at the head of the cast of a Gaumont-British picture is accepted as the promise of abundant merriment.

From his expression, the cigarette he is smoking in the picture below is undoubtedly a Gold Flake!—because in common with most other distinguished English stars, Mr. Hulbert prefers the superlative English quality of W. D. & H. O. Wills' Gold Flake Cigarettes. When he made a hurried trip to Toronto from New York a few months ago, Mr. Hulbert expressed great pleasure that in Canada he could get his favourite smoke—Gold Flake Cigarettes.

Jack Hulbert is shown here with Lilian Harvey, in a scene from "Happy Ever After" in which they co-starred. You'll be seeing genial Jack next in his new Gaumont-British comedy success "Alias Bulldog Drummond," in which Fay Wray, the lovely Canadian-born actress, is co-starred.

Copyright Photograph Courtesy Gaumont-British Corporation, London.

N.W. Utilities Redeems Old Bonds, Issues New

New Sinking Fund Arrangement Makes Less Onerous Call on Company's Annual Revenues — Will Edmonton Make Offer?

Northwestern Utilities annual statement for 1934 comes at a time when the figures are so much water under the bridge. Since then the $2.2 millions of 7 per cent 1st mortgage bonds due 1938 have been paid off and a new issue of $2.2 millions of Series A bonds due 1949, paying 7 per cent to 1938 and 6 per cent thereafter, have been substituted.

The 1934 income statement showed net earnings down considerably from 1933 but more important in its effect on 1935 profits is the fact that the new bonds do not have to provide so large a sinking fund as did the old bonds. The obligation was to pay 7 cents per 1,000 cubic feet of gas to December 1, 1937, plus an amount equal to the interest of the bonds redeemed by the sinking fund. The company found this burden increasingly onerous.

Under the new plan semi-annual payments will be made in June and December of each year of cash equal to 1½ per cent of the greatest amount of A bonds at any time outstanding up to June 1, 1939, then 2 per cent to June 1, 1944, and then 2½ per cent until maturity. Whereas formerly the company had to provide nearly $200,000, it will now have to provide annually less than one third of this amount. It claims that its gas reserves are now sufficient so that at the new rate the bonds will be extinguished eventually.

The old bonds were paid off on June 1 by means of a special bank loan. Most of the old holders exchanged for the new bonds. The expenses of this financing are being cared for by an issue of three year 7 per cent notes for $250,000. This will take care of $146,198 expenditure incurred in redeeming the bonds and $12,500 discount on the notes. The auditors believe these amounts will be written off from operations within the life-time of the notes. The $146,198 included premium, interest and expenses paid on the 1923 issue. There is a further amount of $117,832 commissions and other expenses on exchanges of 1923 bonds, discount and expenses in sale of new A bonds.

To the end of May in 1935 gross earnings were $561,127, up $102,084 and net was $185,522, up $68,808 over 1934 period to May 31.

Will Edmonton Buy?

Early in 1934 Mayor Clarke of Edmonton stated that he would ask the Edmonton city council to exercise its rights in 1935 to buy as a going concern all assets, works and plant within Edmonton of Northwestern Utilities and such plant, gas wells and leases outside Edmonton as are used to supply the city. The franchise terminates in November, but is automatically renewable for five-year periods with the city given at the end of each such period the right to buy out the company.

The company is entitled as a rate base for rate making purposes to net assets of $6.1 millions. No valuation of gas reserves is shown in balance sheet and no depletion is therefore charged against it.

Victoria Manor Applies Revenue To Tax Arrears

In a letter to holders of the 7 per cent first mortgage bonds of Victoria Manor Apartments, the London & Western Trusts Co., trustee, states that all surplus revenues over and above actual operating expenses are being applied to taxes. While the property is liable for registration by the municipality on account of tax arrears of $6,814, it is not considered that any action will be taken.

The opinion is expressed that unless a substantial improvement takes place in real estate values, it will not be possible to earn sufficient revenue to pay operating expenses and taxes, and in addition meet interest on the outstanding bonds. As a sale of the property could only be made at a sacrifice, it is proposed to continue the present management until a sale price or refinancing proposition advantageous to bondholders can be arranged.

At the end of 1934 the building was practically entirely rented. As yet no increase in rents has been made, although it is hoped that this can be done this fall. In any event tax arrears would have to be taken care of before any interest payments

Total gross revenue for 1934 amounted to $7,818, and total expenditures, including $1,420 for taxes, to $7,033.

ALEXANDRA APTS. BONDHOLDERS MEET

Vote July 16 on Proposal to Modify Sinking Fund

Holders of 6½ per cent first mortgage bonds of Alexandra Apartments, Toronto, are to meet on July 16 to consider modification of sinking fund. Installments are two years in default. The meeting of bondholders on June 21 was deferred to allow more time for proxies to be sent to Canada Permanent Trust Co., trustee for the bond mortgage.

Chief proposed changes to be voted on by bondholders are: The trustee to refrain from acting on the default of sinking fund payments in May, 1933 and 1934, and to refrain from any action under such defaults unless requested in writing by holders of at least 25 per cent of outstanding bonds. The trustee to be given permission to release to the company all funds held on account of sinking fund and bonds held for sinking fund to be cancelled. The company will be required to pay into the sinking fund interest which would have been paid on such bonds.

Beginning with 1935 sinking fund is to consist of the payment on or before Sept. 1 in each year of net surplus earnings for the preceding fiscal year. Such earnings are before provision for depreciation. concessions are not to be made by bondholders until the second mortgage has been discharged and adjustments made by the Trusts and Guarantee Co. which owns approximately 94 per cent of the outstanding capital stock of the company. The Trusts and Guarantee Co. is to agree to surrender to bondholders one share of common stock for each $500 of bonds held, a total of 568 shares, and to assure that at least two-thirds of the directors of the company shall consist of representatives of bondholders.

WINDSOR MERGER FINANCIAL DETAILS BEING PREPARED

Guaranty Trust Co. Fiscal Agent — Merger Politically Effective

Guaranty Trust Co., Windsor and Toronto, has been appointed fiscal agent of the City of Windsor finance commission to secure data, contact bondholders, and to submit a report as to how the component municipalities of the Windsor merger should be refinanced.

The commission, by advertisement, has requested bondholders to inform the trust company of particulars of holdings immediately. Bondholders of the following bodies are concerned in this request and in the refinancing of Windsor: Windsor, Walkerville, East Windsor, Sandwich and their R.C. separate schools, Essex Border Utilities Commission and Walkerville-East Windsor Water Commission.

Joint meetings of the protective committees for debentureholders of the constituent municipalities of the Windsor merger are to be held shortly. The aim of joint meetings is to consolidate forces in connection with financial arrangements for the merger.

Merger Effective

Windsor became a greater city on July 1, when the Ontario legislation effecting the merger of four municipalities became effective automatically. The four merged municipalities are Windsor, Walkerville, East Windsor and Sandwich, which now comprise one city of Windsor. Financial details of the merger have yet to be settled although a council headed by Mayor George Bennett has been elected for the newly-amalgamated city. Mr. Bennett is an ex officio member of the finance commission.

The finance commission's job is to determine the financial status which could be given Windsor, East Windsor, Walkerville and Sandwich in the merger. H. J. Mero, chairman of the commission, states that most of the debt is definitely assignable to the four individual municipalities. There are, however, some complications. For instance, the Sandwich, Windsor & Amherstburg Ry. and the Essex Border Utilities Commission were financed and their debts secured by a number of border municipalities. Some of these are not parties in the Windsor merger. In arranging the merger of the four major municipalities in the area, it is necessary to re-establish the proportion of the debts of these utilities which should be borne by the greater city of Windsor.

Mr. Mero states that work is to be commenced at once on the report to permit re-financing as soon as possible.

DOM.-SCOTTISH CAPITAL SURPLUS USED AS RESERVE

Earnings Improve — Percentage of Bonds Held Shows Reduction

The balance sheet of Dominion-Scottish Investments, Ltd., as at May 31, 1935, reveals that of the capital surplus of $1,293,895 at the 1934 year end, $436,451 has been employed to offset losses on securities sold during the year. The balance of $857,444 has been set aside as a reserve to bring present holdings more into line with current market quotations.

Last year investments were shown at $4,419,433, with a market value of $2,116,757.

This year, investments, less reserve, stand at $3,106,454 against a market value of $2,223,741. The capital surplus was created chiefly by writing down the common stock to $60,000 a year ago. The equity for each preferred share is $37.37 against $35.14 in 1934.

Improvement in conditions generally is reflected in the increase in the company's income in 1935, from $94,022 to $103,822 as shown on page 15. In presenting the report, however, C. S. MacDonald, chairman of the board, deprecated the trend to further governmental interference, stating that recovery has been retarded as a result.

Increased income enabled payment of an extra dividend of 25 cents a share on the preferred stock in addition to the $1 per share rate which has been paid since 1932. Preferred dividend arrears now stand at $45 a share.

Investment Changes

Classification of investments at the year end shows a decline in the percentage of bonds and debentures held from 17.74 to 12.92. The difference has been fairly equally distributed between preferred and common stocks, these now representing 25.4 and 61.68 per cent of the total, respectively, compared with 23.59 and 58.67 per cent a year ago.

The trend to higher Canadian holdings was accelerated, and more than two-thirds of all holdings are now designated as in this country. This gain was at the expense of holdings in every other part of the world in which the company invests, with the exception of Asia, which recorded a slight increase. The annual report also makes a classification of holdings according to the nature of enterprises by which the securities have been issued.

Number of investments at May 31, 1935, was 251, of which 205 are stocks. Of the latter, 187 are listed on recognized exchanges.

Canadian-Born Economist Given Important Post

Professor Leslie T. Fournier, of Princeton, N.J., has recently been appointed consultant to the Board of Public Utility Commissioners of New Jersey. His work will involve a study of the various phases of public utility regulation in New York State, Ohio, Wisconsin, and Illinois.

Professor Fournier, who is a Canadian by birth, is well known as the author of "Railway Nationalization in Canada," a survey of the Canadian railway problem which has already earned him much favorable comment and bids fair to become a standard work on the subject.

He will be especially remembered by readers of The Financial Post for his informative series of articles on this vexed question which appeared in these columns last January.

Flour to Hong Kong

Flour continues to rank as the principal commodity imported into Hong Kong from Canada and showed an increase in trade over the previous year.

Too Much Politics In Railway Problem

By C. W. PETERSON

Editor, The Farm and Ranch Review, Calgary

The railway problem of Canada is not, I fear, susceptible to solution by party government, for the simple reason that there are too many perfectly good votes involved. It is impossible to solve it along business lines without antagonizing this influential section of the electorate, which apparently regards railways simply as dispensers of highly paid jobs, and only, incidentally, as common carriers. Even the various Royal Commissioners enquiring into the subject, from whom better things might have been expected, have carefully sidestepped the real issue, namely, the extravagant cost of personnel.

Wages and Wheat

The average rate of railway wages in 1901 stood at 70 compared with 1913 at 100. By 1930 it had increased to 204.3. It has since been reduced by about ten per cent. The price of wheat in Canada, which, in the long run, more or less, controls agricultural income and general food prices, stands today at about the same point as in 1901. There has been an increase in the cost of food for an average family of only two dollars a week between 1900 and 1935.

Can any person give any rational explanation or justification for this enormous increase in wages, except that the wealthy, powerful and highly disciplined unions, controlling an indispensable public utility, have forced compliance with obviously unreasonable demands and thus brought out railways to the verge of bankruptcy?

Rationalized Wages

The wage and salary bill of our railways represents about 65 per cent of total operating cost. It is clear that if wages were rationalized and brought into line with the cost of living—as is done twice a year in Australia—with the added economies due to possible amalgamation for operating purposes, our railway problem would be completely solved and we might even look forward to eventual and much needed freight rate reductions. But as long as the government of Canada operates railways, we may safely take it for granted that the political influence of labor will effectually block any attempt to rationalize wages in the interest of shippers and taxpayers.

Profuse Extravagance

Railway transportation is a natural monopoly and operates strictly as a monopoly in Canada today, where only one line serves a community, which is the general situation. This principle was definitely recognized when the railway commission was established to control rates and services. Competition in railway services can only affect competitive points, which are in the minority. Competition leads—and, in Canada, has assuredly led—to profuse extravagance in competitive passenger traffic operation, the inevitable losses upon which must be borne by the freight traffic revenue.

This is highly undesirable, inasmuch as the economic welfare of a nation like Canada, covering a vast, far-flung territory, demands the lowest possible costs in moving freight. We cannot afford to have the losses upon luxurious passenger traffic become a factor in unduly high freight charges. Competition in railway services is wholly unnecessary, it leads to extravagance and precisely to the disastrous mess we now find ourselves in in Canada.

Facts Before Public

What can be done? For the time being very little, beyond placing the facts before the public. In time a plebiscite should be taken to give a clear mandate to the government of the day, one way or the other. If the majority of the people of Canada then elect to perpetuate the existing state of affairs and are, with their eyes wide open, prepared to pay the exorbitant price, it is their undoubted privilege.

B. C. PACKERS REORGANIZATION MAY BE DELAYED

Market Uncertain as Result of World's Bumper 1934 Catch

Because the world pack in 1934 was 45 per cent above average, British Columbia Packers begins the 1935 season under uncertain market conditions. A price of 45 cents a fish has been arranged with fishermen for sockeye against 50 cents in 1934. This may not be a concession of great advantage as the price some years ago was 25 cents a fish and the price paid in 1934 in the large competitive fishing grounds of Alaska, Japan and Siberia and Puget Sound was much less. In some areas it was stated to be less than half.

British Columbia expects to sell half of its catch outside Canada, mainly in the United Kingdom. The sockeye season will close about August 1. In the Rivers Inlet area 1,400 boats are reported, 1,000 boats in the Skeena River area and 450 in the Smith's Inlet area.

Earlier in the year it was intimated that there might be capital reorganization of B.C. Packers in view of the fact that the accumulated deficit reaches $3.8 millions but this is not expected before the fishing season is well advanced or over.

BONDHOLDERS CANADIAN T.S.R. TO DISCUSS PLAN

Will be Asked to Approve Ranking Issue of $200,000

From Our Own Correspondent

MONTREAL.—Bondholders of the Canadian T.S.R. of Lyons, Ltd., will meet on July 26 to consider a plan for the financial reorganization of the enterprise. This company was established in 1929 as the Canadian unit of the French company bearing a similar name, for the purpose of carrying on a general silk weaving business. A plant was established at Cap de la Madeleine near Three Rivers. Capitalization consisted of $250,000 of 6½ per cent first mortgage sinking fund bonds maturing 1934 to 1944; $250,000 of 6½ per cent cumulative preferred stock and 25,000 shares of no par value common stock.

Expectations of substantial earnings were not realized and in July, 1933, the company defaulted the interest payments on its first mortgage bonds.

Details of Scheme

At the meeting to be held this month, bondholders will be asked to give approval to a plan calling for the creation of a loan or bond issue to the amount of $200,000, secured by first mortgage on all the company's assets and ranking senior to the present bond issue.

It is proposed to exchange the present bond issue, par for par, into new general mortgage bonds, issued as of January 2, 1935, and for a period not exceeding fifteen years, bearing cumulative interest at 5 per cent per annum, but payable only out of the net profits of the company. The company will be obliged, under the plan, to set aside at least 50 per cent of its net profits yearly to amortise its bonded debt.

5,000 Peel Pulpwood

About 5,000 men are employed in the seasonal peeling of pulpwood in the forest Crown lands in Quebec.

Fox Fur Outlook

Prospects for silver fox pelts sales in Europe are good, according to representatives who have just returned from England and the continent. Prices are to be maintained, it is said, while a new outlet has been found in Russia where the ladies are fast becoming style conscious.

Test Eyesight Regularly

The Blackboard Problem—as it looks to Jim and as it looks to Bill

BILL failed in arithmetic. He couldn't add blurry figures that wouldn't stand still. Poor vision is a tough handicap to a child in school. At least one in every ten has some form of defective eyesight.

Many of these uncorrected defects are progressive and cause increasing eye-strain and impairment of vision. Eye-strain may lead to severe recurring headaches, nervous exhaustion, hysteria, insomnia, dizziness and other disorders.

In older people there are other conditions of the eyes which are far more serious than imperfect vision. If untreated, they may eventually lead to blindness. Glaucoma and cataract can be present and in the first stages give little indication of their threat to your sight. Recognized early, glaucoma may be successfully treated; a cataract may be removed by an operation.

Good reading habits of young and old prevent many eye troubles. Have your eyes examined regularly, even though they seem to be normal. Never wear glasses which have not been prescribed. Don't read with the light shining into your eyes, or without your doctor's consent when recovering from serious illness, or when lying down—unless your head and shoulders are propped up and the page is held at right angles to your eyes below the line of vision. Hold your work or book about 14 inches from your eyes.

Don't use public towels or rub your eyes. Conjunctivitis and other communicable diseases may follow. Do not use any medication for diseases of the eyes unless it has been prescribed for the purpose.

Make sure that no member of your family is endangering his sight. Send for the Metropolitan's free booklet "Care of the Eyes." Address Booklet Department 7-F-35.

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CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

A Man From the South

Canada Dry Gets New President from Georgia — Roy W. Moore Shows New York New Tricks

Roy W. Moore, new president of Canada Dry Ginger Ale, Inc., owes his present position to his reputation for being able to do nearly everything superlatively well but play golf. Forbes Magazine says he is a duffer at that and also states that he is a genial, charming, cultured Southern gentleman entirely lacking in a sense of self-importance. But aggressive Northerners, who expect a Southerner to be lackadaisical and easy-going, cannot get over their amazement that this former general law practitioner from the small Southern city of Macon, Georgia, should come up North and show them how to make over enterprises which under Northern management had been going to the dogs.

Canada Dry is not going to the dogs but nevertheless it has been passing through difficult times and meeting all sorts of new competition which makes the appointment of an executive of Mr. Moore's type a matter of outstanding importance in the affairs of the company. P. D. Saylor, now chairman of the board and the man who first put over Canada Dry in a big way, for several years had been looking for a man who was a lawyer and an engineer with a background of accomplishment in business and finance. He wanted a man who could handle people and who understood banking. He was told there was no such animal, but he kept on looking, and found him eventually in Mr. Moore.

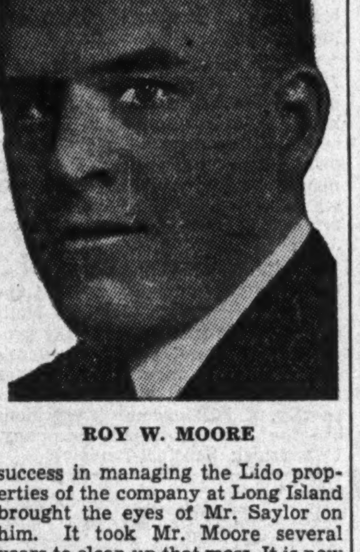
Sold the Unsellable

There was a lot of record for Mr. Saylor to scan when he studied Moore: Fifteen years ago, in Macon, Roy Moore took over a 200-acre property which was $85,000 in debt and which had been peddled around without takers. Real estate men said he was crazy but in three weeks he had subdivided and resold the property in lots on the installment plan at $1 down and $1 a week for $100,000.

Peanut Business is Big

While he was prosecuting attorney in Macon he noticed farmers were getting practically nothing for their peanuts. He thought, "Why not put the peanuts in candy?" He organized a peanut-candy company and now the nation munches his products. He also organized a wholesale grocery and farm implement company, and the largest steam laundry in the southeast.

In 1929, just before the stock market crash, he was called by the Guaranty Trust Co. to New York City to take charge of the real estate projects which were in danger of being submerged in the slump. His



ROY W. MOORE

success in managing the Lido properties of the company at Long Island brought the eyes of Mr. Saylor on him. It took Mr. Moore several years to clean up that mess. It is now self-supporting and the whole community has been transformed as a result of his policies for putting Lido on the map.

Education Diverse

A Shakespearean scholar, he knows Hamlet by heart. But he is as different from the Prince of Denmark as chalk is from cheese. He knows nothing of the paralysis that lay on Hamlet's springs of action. To plan is only a first step with him to swift action.

His education was thorough but diverse. He graduated from Alabama Polytechnique at 19, got a certificate in engineering from Cornell and a law degree at Harvard. That helps him in all sorts of situations to know not only what to do but who should do it. He works well with others and his success in getting full co-operation from personnel of various enterprises he has undertaken is said to be one of his chief accomplishments.

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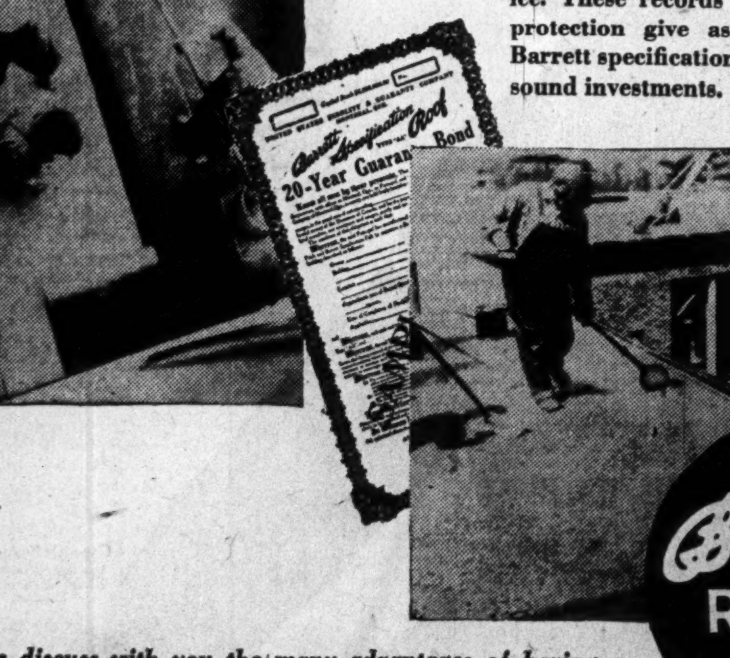

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While politicians argue about how wealth is to be divided up, the excessive taxes they impose restrain the operation of the machine of production which could produce wealth for everyone.

Sharing the Wealth By Taxation

IT WOULD be difficult to find a government anywhere that is not now engaged in a "share-the-wealth" campaign. Canada has recently increased its tax on corporation profits and larger personal incomes. Ontario will have a new income tax in the autumn. In one province certain large incomes are taxable at over 90 per cent; in another at over 100 per cent.

President Roosevelt has just urged Congress to increase the taxes on large incomes. Strangely, he did not talk about the necessity of balancing the budget. Rather, he stressed his belief that wealth is the result of collective rather than of individual effort, and that, therefore, taxation should be used to effect a wider distribution of wealth.

This, of course, is not a financial programme but a social programme. It is not as clear as it appears to be at first reading. No doubt the president was trying to express two very popular current ideas.

Ending "Indefensible Inequalities"

The president's first idea is the one most frequently met with in Share-the-Wealth campaigns; the social rather than the economic aspect of it, that simple justice and the right of the masses to a higher standard of living demand a more equitable division of wealth and income.

Everywhere there is discontent at the striking contrasts between great wealth and privilege on the one hand and extreme poverty on the other; what the United Church of Canada, in its pamphlet on "Christianizing the Social Order," calls "indefensible inequalities in distributing national income." That pamphlet says:

"... this has resulted in such a fantastic inequality that bitterness and resentment are evoked. Vast accumulations of wealth on the one hand and inability to purchase the elements of sustenance on the other cannot be tolerated as legitimate in a Christian society ...."

Tax Socialism Not New Idea

Let no man think that Sharing-the-Wealth by taxation is a new idea. If any one holds that naive opinion let him study the rates at which corporation profits, incomes and estates are now taxed. In the average corporation, taxation takes much more than dividends. Private incomes are taxed in one Canadian province up to 110 per cent. Estate duties eat up a very large part of any substantial accumulation of wealth, so much so that in the older countries the splitting up of large fortunes has already impaired revenue from income taxes.

Studies in Great Britain show that the Social Services take £490 millions a year now where they took £36 millions at the beginning of the century. The money has come largely from taxes on income and wealth. In Canada the development has been along similar lines.

The Canadian Council on Child and Family Welfare has just estimated that 18½ to 20 per cent of our total population is in receipt of social aid of $200 millions yearly and the estimate does not include veterans' pensions, penal costs, free education and every other social aids. The Council suggests that one test of social services is whether or not they are within the limit of taxation and the country's economic capacity. And it doubts if we are deriving adequate returns from our expenditures.

Economic Aspects of Wealth Sharing

The president's second idea is the one that wealth must be shared to give the great mass of consumers larger purchasing power; this to ensure recovery now and stability thereafter. One proponent of the idea recently put it this way:

"If the consumer is not armed with effective purchasing power, Capitalism is doomed to fold up—and at no distant date."

Most such ideas stem from the new economic thesis that booms and depressions result from losing the balance between saving and spending. Too great concentration of incomes promotes over-saving, it is argued, and this means excess expansion of capital equipment without sufficient distribution of consumer buying power to keep the machine running.

So it is urged that wider and more equitable distribution of spending power is essential to the continued smooth working of our economic system. But what is often forgotten is that modern industry, even in the much condemned machine age, has done more to raise the lower incomes—to share wealth—than legislation and taxation have ever done.

Workers Under The New Capitalism

The average standard of living of workers has advanced tremendously during the present century. It is only partially the result of social legislation or social services. It is much more the product of enlightening industrialism, which recognizes that the worker is the prime partner in industry and is entitled to the greatest possible rewards for his effort.

Such socially-minded individualists as Glenn Frank and James D. Mooney have called this viewpoint "The New Capitalism." Mr. Frank says:

"This New Capitalism .... differs at important points from the old Capitalism. It .... knows that profits lie in low prices and high wages .... that profits are helped by short hours. The New Capitalism believes in class co-operation, knowing that the prosperity of the buying masses is its best guarantee of profits. It .... thinks of wealth as a dynamic something to be created.

"For a long time it seemed to many that the only hope of redemption from the sins of the old Capitalism was either a social revolution or the spiritual reversal of the nature of business men. The beginnings of this New Capitalism, however, give hope that we can find redemption from the sins of the old Capitalism by modern business men finding out that the old capitalistic methods of low wages, high prices and long hours are, in a mass-production age, unbusinesslike and unprofitable"

Major Job for Business Statesmanship

Mr. Frank has estimated that one-fifth of the economic enterprise of the United States was operating, when depression struck, under the policies of the new capitalism.

To make it an established force dominating the economic order is one of the major tasks of business and industrial leadership. It would deliver to the masses all that Collectivism promises but still leave to mankind this line of individual achievement and personal reward.

Excessive taxation, imposed to produce a collectivistic state must destroy the New Capitalism as well as the old. It can only lead, via Socialism, to Communism, with the individual completely lost.

No Answer to Age-Old Riddle

Taxation is the most inefficient of all instruments for dividing up wealth. Inheritance taxes, the proceeds of which are used for social and educational purposes, are not generally opposed. Nor should they be. But there is a practical limit beyond which inheritance taxes must not go because they drive out capital and destroy—or prevent the creation of—business enterprises in which thousands of people may obtain profitable employment.

Heavy corporation taxes and income sur-taxes have the effect of confining initiative, of robbing the world of the wealth-creating possibilities inherent in constructive genius. Under "Tax Socialism" wealth can be divided up but each year there is less and less to divide up. The more abundant life cannot be the product of the wide-spread sharing of poverty. We cannot make every one prosperous by extending the process of increasing taxation and promoting public spending. It makes the world no richer by transferring the pieces of paper that represent the control of wealth from one pocket to another. What is needed is more wealth to be divided up. When taxation reaches the point—and it has already reached it—where it puts a brake upon the creation of additional wealth, it becomes a weapon to prevent any rise in the standard of living.

Excessive taxation designed to finance schemes of social aid are not the answer to the unsolved riddle of social justice.

THE FINANCIAL POST

SECOND SECTION

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1 in 5 Gets Public Aid

Nearly 2,000,000 Dependent Canadians Provide Dominion With Serious National Financial Problem—Do We Get Full Value?

There is no more immediate problem before the Canadian people today than the entire scientific reorganization of our cluttered social services, and their co-ordination to meet the need of social security within the economic capacity of the country to provide, declares the Canadian Council on Child and Family Welfare.

The Council estimates that not less than 1,900,000 individuals, exclusive of 96,000 military pensioners and their dependents—or somewhere between 18½ and 20 per cent of the population—are presently dependent in whole or in large part upon social aid. That is almost one person out of five.

This should be ranked with the fact that only 24.8 per cent of the Canadian population was gainfully employed in 1931, and but 37 to 38 per cent gainfully occupied at all. As with any country as young as Canada, the population is getting older, and will continue to enlarge the proportion of aged and less productive.

The figures are presented by Miss Charlotte Whitton, executive secretary of the Council, in a pamphlet just issued under the title "Canadian Cavalcade, 1920-1935."

Spending Quarter Billion

A rough but justifiable approximation of present public expenditure on social aid per annum would seem to set the total in the neighborhood of $120,000,000 for unemployment relief, and not less than $80,000,000 for these other forms of social aid: old age pensions; mothers' allowances; charitable institutions; hospitals; mental institutions; municipal aid to unemployable, handicapped and deserted; and miscellaneous.

In addition, Canada paid last year to her war pensioners or dependents $44,550,000.

In addition, penal institutions and reformatory institutions absorbed $6,500,000.

Unemployment and special relief aid, with these costs of public social aid, exclusive of any war veteran, and penal costs, must have exceeded $200,000,000 in the year. Were war pensions and veterans aid added, the total nears $250,000,000.

Need For Social Aid

They are few who do not realize that the social structure of modern industrial civilization must change, says the pamphlet, which adds that most people recognize also that this change must bring about progress in the distribution of the essential commodities of life comparable to the strides made in the last century in their production. The general public accepts the basic principle that greater social security must be accorded the mass of the population against risks beyond their own control and particularly against dependency and insecurity arising out of the ill health, premature death, old age, or involuntary unemployment of the worker in gainful occupation. So, the average taxpayer is prepared to accept as inevitable a reasonable measure of increased taxation designed to ensure these necessary provisions for individual and social wellbeing. He and the thinking public are entitled, however, to apply certain reservations to the extension of such measures of public social aid.

The measuring rods suggested are these:

First, are all these measures necessary?

Secondly, are they designed to offer effective treatment of the problem or do they merely temporize and threaten wider infection of these social ills?

Thirdly, are the proposals within not only the limit of taxation, but the economic capacity of the national wealth and annual national income?

Fourthly, are they based upon careful examination of existing conditions in Canada and experience elsewhere?

Fifthly, are administrative facilities in existence or capable of immediate and adequate development, effectively to apply these measures as adopted?

Sixthly, is the administration of existing provisions as effective and economical as possible?

Can We Afford It?

These questions cannot be categorically answered but their pertinence is inescapable. The Council expresses grave doubt as to whether it is really necessary for Canada, young, vigorous, buoyant, incredibly endowed with wealth of forest, land and stream to be facing the sixty-eighth year of her national life, with 18½ to 20 per cent of her population in receipt of public aid of $200,000,000 in that year, exclusive of the number and cost of military pensions. It is true that the present situation is part of the world problem, but it is also true that much of the Canadian problem has been due to the nonchalance of the easy years.

Payment of Taxation

There is a popular fallacy that increased provisions for public social aid derive solely or largely from the super-tax groups, especially if they be financed from federal or provincial funds. This is not true. Federal income tax in the fiscal year 1932 yielded about $62,000,000 of the Dominion's revenue of $306,637,000, and though 390 persons with incomes of over $50,000 paid 35 per cent of the total individual taxation, 95 per cent of all taxpayers paid on incomes of under $10,000 and 37 per cent paid on incomes of less than $2,000.

Any indirect taxation by the federal power adds to the cost of life in every home in Canada, as witness the sales, sugar, and tea taxes of recent years. Provincial taxation, direct or indirect, equally touches the lives of all, and the direct assessment of any municipal taxation, through property or poll tax, weighs back at once upon all citizens.

Blithe assumptions that enlarged public social aid merely takes from the rich to give to the poor are not so largely warranted. Every such measure takes something, directly or indirectly, from every rank of earning citizen to give to those dependent.

Average Earnings

The average annual earnings for male workers in all industries in the last census year amounted to $927. Female wages were much lower.

Weekly earnings for male workers on the whole were not unreasonably low, for most groups the average in all industries being $22.49. But, so heavy is the seasonal layoff in any year in Canada, and so marked was the inroad of the economic collapse in this year that 44.08 per cent of all male wage-earners lost some time, the time lost on the average by the whole group being 10.7 weeks per worker, which ran to the high average of 24.28 weeks of idleness, for this 44 per cent who were actually unemployed.

Another economic trend is significant in these wage studies—the average male wage earner is earning an increasing wage until about 45 years of age, stays at his maximum from 45 to 54, and then faces diminishing payments. The woman worker reaches her maximum earlier at 35, and begins the downward income trend at 44.

The average maximum annual wage for all male wage earners is $1,203 and for all women $759.

These rates of earning, and their downward trend, at a time when the average head of the family faces the most expensive period in the cost of educating his children bear significant relationship to another study, made in 1930-1. This estimated the distribution of the expenditure of Canadian consumers as about 55 per cent for food, clothing and shelter; 7 per cent to direct taxation. Of the remaining 38 per cent, 8 per cent went to indirect taxation, leaving 30 per cent to meet all other needs and contingencies, including health and hospitalization, churches, recreation, etc., which it was estimated might include at best perhaps 8 per cent for savings.

Contrasting this 8 per cent for savings with the annual earnings or even the maximum of the average workman, it is evident that twice that amount, almost 15 per cent, paid in direct and indirect taxation from his earnings renders him peculiarly open to the cost of increased public aid. It raises sharply the question as to whether contributory social insurance plans, wherever equitable and possible, are not immediately necessary to protect him and his family from the immediately lowered standards of living, bound to develop with every direct increase in public costs, when so large a percentage of so low an average income goes in taxation.

Looking Nation "In Face"

And as with the income of the earning individual, so with that of the nation. Canada's population is really very small as people and as nations go; it is a very young population. Of its 10,376,000 people, nearly 32 per cent are under 15 years of age: altogether 41.6 per cent are under 19 years. Only 37 to 38 per cent are at all gainfully occupied in the production of the national wealth.

In a sentence, the national wealth of Canada today is somewhere in the neighborhood of $2,300 per capita; the per capita indebtedness—federal, provincial, municipal—somewhere about $669. Entire per capita income in 1932 was in the vicinity of $303. Per capita spending by governments alone is somewhere in the neighborhood of $85. With national income decreased and taxation markedly increased, it is altogether likely that in 1934-5, a correct estimate would set the percentage of the average consumer's income going to direct and indirect taxation at 23 to 25 per cent.

For Value Received

Are the community and its citizens deriving adequate returns upon these expenditures? To attempt to answer in respect to the social services only, the reply is to express grave doubt.

To the question as to whether our rapidly developed social services have drawn sufficiently on observation and experience elsewhere, prior to adoption in our communities there will be few social workers in Canada who would give an affirmative answer.

Wise expenditure is the highest form of economy but in no field is wise planning and skilful administration as essential as that in which something must be given from the resources of the community without obvious return. Neither of these requisites is being assured today in far too many of our social measures, and an inevitable backlash will come, and it will come in two directions. The application of measures, but half conceived and poorly executed will prove ineffective and bring principle as well as method into disrepute; and the mounting costs both social and financial, without commensurate returns, may threaten wholesale abandonment of projects of themselves capable of much good.

Thought More Than Money

The whole relief and dependency problem in Canada today calls now much more for thought than for money. Of course, money is needed, millions of dollars, but if more responsible, interested intelligent thought were given to the planning, correlation, administrative set-up and personnel of our diversified and jerrybuilt structure of rapidly set-up social services, some millions of dollars less would be required annually, and thousands more of our people who, under present systems, see nothing but hopeless years of bleak dependency would be set upon the way to self maintenance once again.

The introduction of the contributory principle where equitable and possible would be of itself a substantial advance in the maintenance of independence and the preservation of morale. That industrial civilization is attempting to meet modern condition by such methods is evident in the growth of unemployment insurance alone.

Canada may reconstruct her entire financial and economic structure, but if, in pre-occupation with it, she loses the character and vigor of this generation she will have endangered her national morale for decades still to come.

Administration Diffused

There has been too little of conscious planning about the development of our social measures. Statutes have been enacted and then hurried and harried glances cast about as to where they might be administered.

Concluding its study, the Council points out that statesmanship of the highest order, and wise intelligent executive administration alone can bring our people out of their need, without grave loss to all future time. The whole situation demands the creation of a competent national investigation into the causes, extent, and costs of social dependency in Canada today, says the Council's report. That enquiry should be representative of federal and provincial authorities, and of voluntary services. It should have no strictures placed upon it, as to its right of enquiry in any phase of social dependency to which public funds contribute. Its findings should be addressed to the people of Canada, and its recommendations, respectively directed, by mutual prior agreement, to federal, provincial, municipal and voluntary effort, as the highest public interest and effective treatment of different social problems might require.

WAR ON WASTE

IN ADDITION to a vote of $1,250,000 for barracks at Calgary voted in the Dominion's estimates this year, supplementary estimates for expenditure of $400,000 recently passed the House of Commons.

Details of the supplementary expenditure, among other items, reveal: (1) $74,000 is provided for "two four-family terraces, 'other ranks,' married quarters;" and (2) $40,000 is the estimate of cost for "two additional married officers' quarters."

These unnecessarily extravagant estimates are typical of waste in governmental construction costs. Contractors can provide buildings with the highest grade of materials for a great deal less than the amounts provided by the government. There seems to be no justification for avoidable waste on such construction.

Five-Day Week

Mid-West Newsprint Manufacturers See Solution to Problems in Shorter Working Week

From Our Own Correspondent

MONTREAL. — Stabilization of capacity through a five-day week for operation of machines, is being advocated by the Mid-West Newsprint Manufacturers, St. Paul, Minn., as a practical solution to the problems of the newsprint industry.

In a current bulletin the association points out that newsprint manufacturers know that the continuation of the present conditions means the complete demoralization of the paper industry, the loss and the shift of newsprint capacity. The ultimate result, says the association, is that the publishers will pay an excessive price for newsprint.

Industry Did Its Best

In outlining how the newsprint industry in the United States has done its best to avoid such a condition, the bulletin says:

"In 1933 the newsprint industry patriotically accepted the National Recovery Act. That act imposed increased cost. That meant increased losses, for the industry was already in the red. Those increased costs took the form of increases in labor, materials, supplies and every element which entered into newsprint production. How much the N.R.A. added to the cost of producing newsprint varied with the mills. Some manufacturers estimated that the direct and indirect costs were from $5 to $7 a ton. The increase on the industry as a whole was many millions of dollars.

"Increased cost for the manufacturers in the United States placed them at greater disadvantage with the manufacturers in countries in which there was no plan similar to the National Recovery Act.

"The newsprint industry placed its case squarely before the National Recovery administration. A code was proposed under which there were possibilities of stabilization of the whole industry. With such a plan the manufacturers of Canada, with the influence of their great production upon the market, agreed. The code was opposed and delayed."

Planning Board Shelved

Later on, the bulletin points out, a supplemental code was proposed. It provided for the creation of a newsprint planning and adjustment board, composed of representatives of publishers, the newsprint industry, labor and the public. Under this proposal there could be no increase in price without the approval of the board and even the control of the board was subject to rejection or confirmation of the N.R.A. itself.

No action was taken on the supplemental code and as the N.R.A. is now without power to help, the Mid-West association says that the responsibility for correction of the newsprint situation rests squarely and entirely upon the newsprint industry itself.

Need for Action

What can be done? The association's bulletin puts forth the following remedy.

"The newsprint industry of the United States must proceed to the protection and development of the domestic mills. The capacity of the industry in the United States is about 1.5 million tons. Production in 1934 was 957,000 tons. For every ton of newsprint produced in the United States in 1934 two tons were imported. The industry of the United States must proceed with the patriotic duty of developing to the largest extent justified by the timber resources of the United States and by efficient manufacturing possibilities.

"The situation in Canada is serious; 60 per cent of the newsprint capacity of the Dominion is in bankruptcy. An investment of over $700 millions is without returns. Canada is exhausting priceless timber resources without profit. Labor and its people need protection against the demoralization of the principal manufacturing industry of Canada.

Limitation of Capacity

"The first practical suggestion has to do with a limitation of the capacity of the newsprint industry. Compared with other great industries, the overcapacity of the newsprint industry is not large. But the capacity creates a destructive condition in an industry marked by great investment, large contracts and keen competition. That capacity must be saved for the benefit of the publishers and as protection to consumers in time of unusual demand. Thus capacity can be dealt with by a simple method—establishment of a sensibly limited or a five-day week in the newsprint industry.

"At present the newsprint industry generally works its machines six days and devotes the seventh day to repairs. A five-day week for operation of machines would stabilize capacity and would give to the industry one day's rest in seven. There is a precedent for such a condition in every substantial industry in the United States.

Fair Price Needed

"The next step in stability consists of establishing a fair price for paper. This must spring from both the knowledge and the determination of the whole industry and every unit within the industry. A fair price for paper does not mean a temporary increase to cover operating deficits, and which would but add to the lingering economic illness of the industry. Newsprint must be sold eventually at a price which will yield operating costs and a fair amount for depreciation, obsolescence and depletion. A fair price for newsprint must produce that which is as essential as any other element—a fair return upon the investment in mills and machinery."

In concluding its argument for the adoption of a five-day week, the association's bulletin says "the newsprint manufacturers face the responsibility which they cannot shift to either consumers or paper or to the governments under which they live."

CHALLENGE RIGHT CITY OF MONTREAL LEVY SALES TAX

Ratepayer Asks Court to Declare Impost Contrary to Statutes

From Our Own Correspondent

MONTREAL.—Validity of the City of Montreal sales tax has been challenged in the Superior Court by a Montreal taxpayer, who asks that the tax be declared illegal because it is an indirect levy and therefore ultra vires of both city and provincial legislation. Along with the attack on the status of the tax he sought refund of money paid under protest on purchase of articles on which sales tax was enacted.

It is claimed by the petitioner that neither the province of Quebec nor the City of Montreal has power to impose on the seller the obligation to collect a tax at the aegis of the city. It is charged that the tax is illegal in respect both of its exaction of tax on purchases made in the Montreal area and in exaction of tax on articles purchased outside the city area by citizens resident in the city of Montreal.

An Indirect Tax

The writ of summons served on the city says that the provincial statute amending the city charter to allow imposition of sales tax purports to levy an indirect tax and "is therefore ultra vires of the province of Quebec and is illegal, null and void."

As a consequence of the alleged illegality of the provincial statute, it is charged that the city by-law, passed in accordance with the statute, is also illegal and ultra vires for the reasons that the provincial enactment is illegal.

Hearing of the action will not come before the courts until some time after it convenes for the fall term in September, unless incidental proceedings, such as motions, are taken beforehand.

Life Insurance Values Hold Under Inflation

Credit Expansion Means Benefits for Policy Holders

Under a credit inflation, which is the type most likely to develop in Canada and numerous other countries, holders of life insurance policies may obtain benefits which would offset disadvantages.

It is often claimed that holders of insurance policies would suffer materially from inflation. This may be only a dangerous half truth.

For instance, assets held by insurance companies for policyholders are not entirely composed of securities of fixed income. There are some on which the income might rise under inflation. An inflationary rise of interest rates would also tend to raise insurance companies' income and policyholders' dividends.

Further, insurance companies hold important foreign assets and assets such as property which tend to give some protection against the very worst forms of inflation. While totally destructive inflation cannot be foreseen in most countries at present, the fact that insurance companies hold a great variety of assets is a protection to policyholders.

Fixed Income Assets

Then there are the fixed income assets held by life companies. Some of these have been modified due to the depression. These assets consist chiefly of contracts to pay fixed annual sums to insurance companies. The decline of prices of the last six years has made it difficult for the companies to collect some of these contracts. John G. Coburn of the Canada Life Assurance Co. recently explained this point to a meeting of life underwriters as follows: "The restoration of the price level to what it was when the bulk of the contracts were drawn does not actually represent a dislocation but instead is an attempt to overcome the dislocation which at present exists."

A lucid explanation of the nature of a life insurance policy and its position under inflation was given recently by Percy H. Evans, vice-president and actuary of the Northwestern Mutual Life. It is summarized:

Two Facets of Policy

"A life insurance contract is merely a decreasing yearly renewable term insurance, combined with a periodically increasing savings fund or share in the undivided investment assets.

"So far as that part of the current annual premium is concerned which goes to pay for this renewable term insurance risk, it would not be affected by inflation except for such decrease in the buying power of the dollar as might occur between the date of payment of the last paid premium and the date of maturity of the policy by death. In other words, the dollars paid as death claim for the net amount of insurance then in effect would be the same kind of dollars in which the last preceding premium was paid; except for any change in buying power which might have occurred during the short time between payment of the last premium and death of the insured.

Savings Fund

"The dollar savings fund (cash reserve value) would be the only part of a life insurance policy which would be materially affected by inflation. This is the share of the policy which the insurance company invests in bonds, mortgages, stocks and other investments. Even these investment dollars of the insurance policy would be affected only by the change in buying value occurring between the date of their payment into the company's assets and the date when returned with interest as a part of the death claim.

"Changes in the buying power of the accumulated dollars in the savings fund would be exactly the same wherever those dollars might be placed by the insured. The only reason which would justify withdrawal of those dollars from the insurance company's investment, or refusing to add to them, would be where the insured had knowledge of some other place to put them where their buying power would not be affected by inflation. Unless the question of just where the investment dollars should be put is answered satisfactorily, the idea of taking them out of an insurance company's portfolio does not make sense. In the depression period it has been demonstrated that one of the safest places for investment of money is in the hands of sound life insurance companies.

Insurance Stands Test

"The idea that buying common stocks in place of fixed interest investments is a hedge against the consequences of inflation is popular today. Those who entertain this notion point out that in periods of rising prices when fixed interest buys less and less, the dividends from first quality stocks tend to increase. Often, however, they forget the sudden and painful deflation which occurred in 1929, wiping out all the post-war increases in dividend rates and stock dividends of the 'new era.'

"In spite of inflation, the social necessity of life insurance remains. Its safety for long-term custody of savings, and its usefulness against the consequences of domestic catastrophe, social disturbance and economic depression have been established so clearly since 1929 that it is almost unquestioned at present.

Long-Term Aspects

"In this connection, it is noteworthy that life insurance contracts are usually for long terms. The significance of this is that before he ever starts to pay premiums, the policyholder must know that the purchasing power of the dollars he will eventually get back may not be exactly the same as of those paid in. For instance, a 20-pay life policy maturing in 1934 was worth more in purchasing power than were the dollars paid in during the war. Intermediate changes in the cost of living may be insignificant.

"What really counts is the value that an insurance policyholder is eventually going to get out of his policy. If he dies, his estate is a gainer, inflation or no inflation. If he lives, there is no means of telling exactly what the purchasing power of the contract will be upon maturity. Past history in Canada, however, gives no indication of serious detriment to life insurance policyholders from intermediate and transient credit inflations."

Average Dollars

In his recent address to life underwriters, J. G. Coburn enlarged on this long-term aspect of life insurance contracts. He explained: "Practically all these contracts are paid for over considerable periods of time and to an increasing extent the benefits are also paid out over a considerable period of time under income settlements of various kinds. That is to say, the dollars with which those contracts are purchased and the dollars which are received back by policyholders and beneficiaries tend to be 'average' dollars. Over periods of time involved in ordinary contracts these averages (of the purchasing power of the dollars) largely wipe out the effects of the fluctuations of the dollar's purchasing power which occur from time to time."

Example: A 20-year endowment taken out in 1915 and maturing in 1935 has greater purchasing power than the dollars paid for it. If the benefit is taken over a term of years, the purchasing power may be averaged upward or downward.

Prices and Premiums

Another important aspect of the purchasing power of insurance benefits is that this should really be measured in terms of retail prices. If there is an inflationary rise of the general price level of goods in Canada, it is likely to be less marked for retail prices than for wholesale prices. Thus, the decline in purchasing power of the policyholder's dollar may be less than some people have imagined.

It is also noteworthy that many policyholders have had difficulty in paying their premiums due to the deflationary depression which has reduced income. In some cases holders' valuable insurance policies have been placed in jeopardy by this development. If credit inflation allows ready payment of premiums in such cases, the advantages to policyholders are obvious. Also, if incomes are expanded by credit inflation accompanying business improvement, it makes it easier for individuals to "carry" more insurance. Immediately the first premium is paid on additional life insurance, beneficiaries are safeguarded against death or higher costs of living which may come with an ordinary credit inflation.

Foreign Assets

Foreign assets are an undoubted protection to insurance policyholders in case of a sharp credit inflation. For instance, if a serious inflation were to occur in the United States, American companies would have protection for policyholders in the form of Canada and other foreign assets. This, of course, is apart from billions of dollars invested in securities whose best chance of recovery is a moderate form of credit inflation. In turn, Canadian companies hold substantial assets abroad. This protects Canadian policyholders.

There are other facets to this anti-inflation gem. Canadian policyholders in foreign companies and foreign policyholders in Canadian companies enjoy protection from the domestic inflations. For example, if the very worst form of currency inflation were to occur in the United States, the American policyholder might find his Canadian life insurance one of his best assets.

Diversity of Assets

In any event, it is especially noteworthy that the assets of life insurance companies are widely diversified. Some companies hold substantial blocks of common and preferred stocks. Insurance companies' income on these would tend to increase under inflation. The companies moreover are experts in selection of investments, and in this way the policyholder has a certain amount of his inflation hedging done for him.

Arthur B. Wood, president of the Sun Life Assurance Co. of Canada, pointed out recently that it is possible that a rising demand for money under a credit inflation may raise interest rates. Life insurance policyholders are almost sure to feel the effect of this in the form of higher dividends on their policies. Insurance companies are constantly reinvesting maturing assets. Thus, in a period of rising interest rates securities bearing low rates are maturing and being renewed at higher rates.

Value Unchanged

It is probably true that under a vicious currency inflation, holders of insurance policies suffer almost the worst. Since, however, this form of inflation is extremely unlikely in Canada, it need not be considered seriously unless conditions alter more than is expected.

In considering inflation and life insurance, one fact must be considered above all others. In the event of death the beneficiary gets an inflation of value greatly in excess of any probable rise of costs of living in Canada. Mr. Coburn puts it: "It would be small consolation to a widow inadequately provided for to know that the reason her husband had not taken out additional life insurance was because he feared inflation. In the event of the early death of a policyholder, life insurance contracts themselves represent an inflation of quite a different sort and of a magnitude that entirely outweighs all other considerations."

This is the seventh of a series of articles on inflation. The next article will appear in an early issue.

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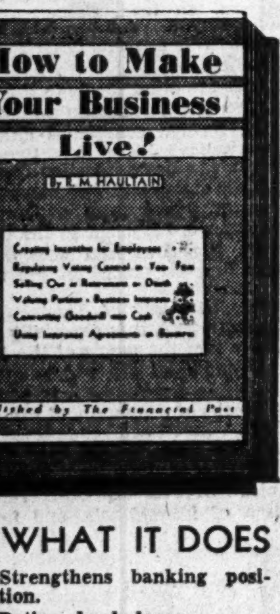

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Life Insurance News

Old Age Pension Scheme Costs $85.6 Millions

Another business which is making big gains is old age pensions.

In the fiscal year ending Mar. 31, 1933, a total of 71,705 of Canada's citizens were paid pensions to the tune of approximately $15.4 millions. One year later 86,873 had signed their names to the pension list to receive $16.6 millions. While last year total pensioners reached an all-time high at 101,501. And the yearly total of monthly cheques to these recipients also set a record at $20 millions.

$85.6 Millions Paid

The total payments made since the Old Age Pensions Act became effective in 1927 amount to $85.6 millions, of which the Dominion has contributed $56.9 millions. Under the Act a pension is payable to any British subject of 70 years and upward who is not in receipt of an income of at least $365 a year. The maximum pension under the Act is $240 yearly.

Comparative figures for each province for the fiscal year ending March 31, 1935, follow:

Pensions Paid by Provinces and Dominion
(For Fiscal Year Ending March 31, 1935)

Province and date Act effective:	Total pensions No.	Prov. contribution $	Dominion contribution $
Alberta .... (Aug. 1, 1929)	7,151	1,070,901	357,186
Br. Columbia.. (Sept. 1, 1927)	9,076	1,478,314	504,779
Manitoba ..... (Sept. 1, 1928)	10,229	1,655,956	557,203
Nova Scotia ... (Mar. 1, 1934)	12,241	1,479,899	493,300
Ontario .... (Nov. 1, 1929)	50,771	7,671,619	2,615,467
P. E. I. .... (July 1, 1933)	1,439	128,856	42,951
Sask. .... (May 1, 1928)	10,137	1,455,196	485,710
N. W. T. ...... (Jan. 25, 1929)	7	1,719	......
Total	101,051	14,942,460	5,056,596

Ontario, wealthiest province in the Dominion, also has the largest number of poor people, with 50,771 receiving pensions. Nova Scotia, whose Act only became effective on March 1, 1934, comes second with 12,241 pensioners, followed closely by Manitoba with 10,229.

Average Monthly Payments

The average payment is highest in British Columbia at $18.89 per month. It is lowest in Prince Edward Island where pension cheques average $10.44 monthly. Saskatchewan has the highest, and Ontario the lowest, percentage of pensioners over 70 years of age to the total population.

Rockefeller Gets Insurance Present

Here's a new way to make money. It has been tried, and found successful, by none other than John D. Rockefeller, world's greatest moneymaker. All you have to do is to take out an insurance policy, then grow so old that the companies have to pay back the money.

This is what the grand old man of oil did on his recent 96th birthday. The insurance companies made a "pay-back" in the form of a present of $5 millions because the former oil magnate had outlived the actuarial tables, which did not go above 96.

SOCIAL SECURITY THROUGH LIFE INS. CONSIDERED BEST

Average Investment of Canadian Life Insurance Policy Owner is $571

Life insurance is the greatest "social security" scheme in the world, said W. Hastie, assistant general manager and treasurer of the Canada Life Assurance Co., speaking recently in Hamilton.

He felt that if its benefits were properly understood there would be greater participation in it, and considerably less wild talk about systems of social relationship which involve confiscation of wealth.

To show the distribution of wealth which comes through life insurance the speaker said that the average investment of a policy owner in Canadian companies is $571. While the huge accumulation of $2.5 billions represents the savings of more than 3.5 million citizens of the Dominion.

More Than Relief

To show how life insurance acts as a distributor of wealth, figures were given indicating that payments on Federal relief in Canada between 1931 and 1933 inclusive amounted to $144 millions. But over this same period, payments by Canadian life insurance companies injected into the economic stream a total of $522 millions. And this is in excess of that in the form of bond purchases, mortgage and policy loans.

Near Bank Total

With assets of $2.3 billions, the life insurance companies in Canada are out of the kindergarten business class, added Mr. Hastie, and especially as the total assets of Canada's chartered banks were only slightly higher at $2.9 billions as at Dec. 31, 1934. The total assets of Canadian life insurance companies and Canadian assets of other companies doing business in Canada follow:

Life Insurance in Canada
(As at Dec. 31, 1934)

	Total Assets $
Canadian life companies	1,789,000,000
U.S. life companies (Can. business)	479,000,000
British life companies (Can. business)	46,000,000
Total assets	2,314,000,000

Long Term Credit Background

Life insurance investments, Mr. Hastie added, are the real background of every project requiring long term credit. All government and municipal undertakings which contribute so much to raising the standard of living look to the insurance companies for a large portion of their financing. And this financing is just another means of redistributing wealth. The speaker mentioned that there may be criticism at times that insurance funds appear to be lying stagnant when they might be used to stimulate activity. That is not strictly the case. For the true answer is that if the money is to be used profitably it must also be invested safely.

Two Forms of Loss

Premium taxes, the speaker said, are a direct charge on the savings accumulated by the policy owner and have gradually grown larger. This factor is mentioned as a warning to those in public life "to go easy" and try to have public expenditures meet income.

The second item which results in a personal loss to the policy owner is connected with debt repudiation. Some people, the speaker suggested, call it distributing wealth, but it is a false doctrine.

"Debtors and creditors can adjust their difficulties together—it is being done every day—but the sooner we give up thinking that by some legislative measure we can wake up tomorrow with a new world free of obligations, the better," said Mr. Hastie. He added that the problem is quite capable of solution without disturbing further that confidence which is a necessary factor of our whole business life.

20 Years With Canada Life

R. Geo. McCuish, branch manager for the Canada Life at Vancouver, B.C., completes this month twenty years of service with that company as a branch manager.

In 1915, Mr. McCuish associated himself with the Canada Life as branch manager for south Saskatchewan. In 1923 he received the appointment to the managership of the company's British Columbia branch, and he has held that position ever since.

GOV'T ANNUITIES SHOW GAIN OF 91%

Taxpayers Make Up Annual Loss on Annuities of $450,000

A 91 per cent gain in business. This is the record made in selling approximately $13 millions in Canadian Government annuities for the fiscal year ended March 31, 1935. In contrast, receipts for 1934 totalled $7 millions and in 1933 amounted to $3.5 millions.

Annual receipts of about $1.5 millions were quite common for annuities from their inception in 1924 to 1927. The next year the total jumped to $3.8 millions, and remained at approximately this figure until 1933. Since that date the increase has been substantial, and especially during the last year. Total contracts to date number 22,737 with aggregate receipts of $56.7 millions.

$2.5 Millions a Year

In the fiscal period recently closed, the government paid out approximately $2.5 millions in annuities. Hon. E.N. Rhodes, minister of finance, states that on an actuarial basis they are not self-sustaining. It costs the taxpayers about $450,000 a year to carry these annuities excluding the cost of administration.

Canadian Government Annuities
(Fiscal years ending Mar. 31, 1924-1935)

	Advertising Cost $	Contracts No.	Receipts $
1924	21,916	409	1,458,819
1925	19,923	486	1,606,822
1926	60	668	1,938,921
1927	9,362	503	1,894,885
1928	8,529	1,223	3,843,088
1929	5,204	1,328	4,272,419
1930	19,359	1,257	3,156,475
1931	27,388	1,772	3,612,234
1932	129	1,726	4,194,384
1933	837	1,375	3,547,345
1934	.....	2,412	7,071,439
1935	.....	3,931	13,376,400

Insurance Inklings

F. B. SIZE, Windsor manager of the London Life, has been granted a leave of absence because of ill health.

JOHN MONTGOMERY, for the past three years district manager at Guelph, has been appointed branch manager at Hamilton for the Continental Life Insurance Co.

F. W. PARTRIDGE, superintendent of the London Life at Fort William, has been transferred to St. Catharines.

C. D. CARR, C.L.U., has been appointed city manager of the branch of the London Life in Fort William, Ont.

C. E. GERMAN, of the London agency of the Mutual Life Assurance Co. of Canada, recently completed 50 years service with the company.

J. M. VANSTONE has been appointed manager in charge of the new office to be opened in Saint John, N.B., by the Wawanesa Mutual Insurance Co.

T. C. PHILLIPS, who has been agency manager of the Mutual Life Assurance Co. of Canada at Sault Ste. Marie for the past seven years, is being transferred to Barrie as branch manager of a newly organized territory. The collecting office at Orillia is being transferred to Barrie.

A. F. BRADY has been appointed branch manager of the Mutual Life Assurance Co. at Sault Ste. Marie.

J. F. McKAY of the Mutual Life Assurance Co. of Canada has been elected president of the newly-organized Life Underwriters' Association of Prince Albert, Sask.

S. A. ACRES has been appointed branch manager for the Mutual Life Assurance Co. of Canada at Brockville, Ont. Mr. Acres has been associated with the Carter agency at Montreal.

Life Insurance School

A life insurance school will be held in Chicago, July 15-26. Students will be represented by managers, supervisors and office men of 25 life insurance companies in the United States and Canada. The school is to be held under the auspices of the Life Insurance Sales Research Bureau, of Hartford, Conn.

United States Fidelity & Guaranty Company
TORONTO

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Home Insurance Co.

Will you kindly advise me as to the reliability of fire insurance placed with the Home Insurance Co., New York? Also if tariff or non-tariff and difference between same?

Home Insurance Co., of New York, is one of the leading fire and casualty insurance companies on the continent. The company has been operating in Canada for a considerable length of time and is licensed by the Dominion Department of Insurance. As at March 31, 1935, the company had a deposit of $2,036,017 with the Dominion Department of Insurance. The Home group of companies ranks sixth in order of net premiums written among the various groups doing business in Canada.

According to the latest returns available, the company has now assets in Canada of $2,995,832. Assets are in excess of liabilities by $1,637,702. In the company's fire insurance department in 1934, the ratio of losses incurred to premiums earned was $34.24 per cent, which is lower than the average. Net premiums written for the year totalled $1,210,457. For automobile insurance the company's ratio of losses incurred to premiums written was 39.84 per cent.

Home Insurance is a tariff company. Tariff companies are those which belong to an accredited association and subscribe to a set schedule of rates and policy conditions. The "tariff" association is a body composed of joint stock companies who operate under set rules and rates and who co-operate primarily to pool their experience in respect of the rating of business. Non-tariff firms may be either mutual companies, not usually eligible as members of the association, or joint stock companies which decide to operate outside the association.

Racket

Have you heard anything about the new racket whereby life insurance salesmen offer to merge all of one's life policies taken out with various companies into one whole policy, with the promise that no loss of any kind to the policyholder would take place?

The policyholder is told that the life companies have made arrangements among themselves to allow them to transfer policies from one company to another.

Although we have not heard recently of this practice, we can assure you that such a practice is wholly illegal.

If any such case comes to your attention, you would be doing a good service by reporting the matter immediately to the superintendent of insurance in your own province.

There is specific provision to cover this in the law and such an agent would immediately lose his license to operate in the province.

Only last session the Quebec Insurance Act was strengthened to prevent any manner of trafficking in life insurance policies such as indicated in your enquiry.

Saskatchewan Mutual

Would you please advise me if the Saskatchewan Mutual Fire Insurance Co. is a safe concern to insure with?

Saskatchewan Mutual Fire Insurance Co. has been doing business under provincial license in Saskatchewan and Alberta for 27 years. The company operates as a cash mutual, having adopted both the cash premium plan and the premium note. The latter, of course, applies to farm property. In addition to fire insurance, it writes automobile business. We are informed that it has a re-insurance treaty with Lloyd's of London.

During 1934 the company had a net premium income of $200,000 while losses, including inspection and adjustment, amounted to $76,439. A profit of $46,596 was shown on the year's operation.

In its annual report for 1934, the company states that it is gradually withdrawing from the farm districts where losses have been heavy and concentrating more in the productive cities and towns and in classes of insurance that have proved to be less hazardous. Loss ratio in both fire and automobile insurance in 1934 was satisfactory.

Assets of the company at Dec. 31, 1934, totalled $367,346. In addition, there was a total of $256,161 premium notes outstanding at December 31, 1934. Surplus is shown at $173,943.

Paid in Canadian Funds

The Supreme Court of Canada has decided that moneys due under certain life insurance policies issued by the State Life Insurance Co. (a United States company operating in Ontario) should be paid in Canadian funds.

Ontario Equitable Increase

The Ontario Equitable Life of Waterloo reports an increase of new business for each month this year to June 30 over the same month last year, the average monthly gain being 21 per cent.

Fire and Casualty News

TARIFF MERGER NOT EFFECTIVE UNTIL AUTUMN

Much Organization Work Has to be Done Before New Body Functions

Successful amalgamation of the Canadian Fire, Canadian Automobile and Canadian Casualty Associations into the Canadian Underwriters' Association hinges upon a housecleaning by some of the larger companies, The Financial Post learns.

While organization details were approved, and officers of the new association elected at the recent convention at Murray Bay, much spade work remains to be done, and it appears unlikely that the amalgamation can be consummated before late fall. In the meantime the three associations are carrying on as separate units.

In-One-in-All

The in-one-in-all rule still remains a controversial question, The Financial Post is informed, and is not being enforced although it nominally came into force on March 1 last. Several companies are operating as members of the tariff association in one branch of the business and non-tariff in others. Despite this situation one official of the new Canadian Underwriters' Association refused to confirm the non-enforcement of the in-one-in-all rule.

Only One Out

Following nominal approval of the in-one-in-all rule on March 1 some nine groups of companies, representing fifteen individual firms, forfeited their membership in the Canadian Fire Underwriters' Association. Since that time all but one, General Accident, Fire and Life Assurance Co. have made "peace" with the association and been reinstated. On re-entering the association some of these companies laid down conditions which must be fulfilled if they are to remain members. Tentative application for membership in all three tariff associations has been made by these companies.

One insurance executive in speaking to The Financial Post stated that his concern and a number of others have made application for membership in the new association. Membership on their part, however, is contingent upon certain conditions being met by some of the larger members of the tariff associations. Included in these is the strict enforcement of all rules.

Breaking Rules

It is common knowledge in insurance circles that a number of the larger companies, while members of the tariff associations, have been guilty of numerous infractions. In a number of cases policies have been written which do not meet the requirements of the associations. Cancellation of these are demanded. Commission rules are frequently broken. An infraction of these came to the attention of The Financial Post only this week.

Another executive pointed out that if the association is to meet with success it cannot afford to close its eyes to infractions on the part of its members. If rules are strictly enforced and companies read out of the association for infractions, many of those on the outside would be willing to come into the association, he said.

The Financial Post is also informed that all thoughts of enforcing the in-one-in-all rule as between the east and the west have been abandoned for the time being. While this gives the association less strength than originally planned, it is admitted that solution to the problem within its own territory must be found first.

President

C. ARROL BROWN
Casualty manager of the Royal Exchange Assurance Co., who has been elected president of the Insurance Institute of Montreal for the year 1935-36.

Protest Illegal Use Of Copyright Plans

Widespread use by unauthorized publishers of copyright plans of cities and towns throughout Canada has been announced by J. V. Nutter, president of the Western Canada Insurance Underwriters' Association.

Legal action taken by the association, he added, has resulted in obtaining judgment by which hundreds of printed plans are destroyed and their further publication discontinued. These plans are compiled by "board" companies at great expense and are intended for the exclusive use of members.

Motor Car Deaths Drop Sharply in May

More accidents took place in Ontario during May than in the same month last year, but the fatalities were less than in any May since 1927.

The 828 accidents reported during the month resulted in 32 deaths, 775 non-fatal injuries, and a property damage estimated at $75,705. This represented an increase of 20 per cent in the number of accidents, a 21 per cent gain in injuries, and a 44 per cent increase in property damage.

Fatalities dropped, however, to 32 in May from 44 last year, a decline of 27 per cent.

New Licenses

A certificate of registry has been issued by the department of insurance at Ottawa to the following company, authorizing it to transact in Canada the business as noted in addition to the classes for which it is now registered:

Northwestern Mutual Fire Association: Falling aircraft, earthquake, hail, limited explosion, riot and civil commotion, inland transportation, all limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

Oshawa Saves on Premiums

A saving of approximately 30 per cent on the insurance premiums of Oshawa schools has been effected since the buildings and equipment have been revalued.

Canadian Farmer Finding Important Market in U. S.

The increasing importance of United States as an outlet for Canadian farm products is strikingly illustrated in a summary of trade up to the end of May, compiled by the Dominion Bureau of Statistics. From the time of the last raise in the United States tariff (1930) until about a year ago there was practically no export of livestock or livestock products to United States. Great Britain was the only outlet of any importance. A general rise in prices throughout the world and particularly in United States where sharp livestock liquidation under the Agricultural Adjustment Act was supplemented by drought reopened this outlet.

Total exports of animals and animal products for the month of May, 1934, amounted to just under $8 millions of which $3.6 millions went to the United Kingdom and $3.4 millions went to United States. For the two months ended May, 1935, exports of this type totalled almost $13 millions of which a shade under $6 millions went to the United Kingdom and $5.7 millions went to the United States.

For the year ended May, 1935, exports totalled $90 millions with $54 millions going to United Kingdom and $23.5 millions to United States.

In the case of Great Britain, exports were largely confined to bacon and ham shipments with a small number of live cattle going forward but with United States until the last few months, shipments consisted almost entirely of live cattle. Recently there has also been a considerable export of dressed meat.

The benefit of this export on the balance of trade is also indicated in the following table which shows that in the case of United States, total imports still exceed total exports of Canada whereas the balance is in Canada's favor with the United Kingdom.

Trend of Agricultural Exports

	May Total $	May To U.K. $	May To U.S. $	12 Mos. to May, 1935 Total $	12 Mos. To U.K. $	12 Mos. To U.S. $
Agricultural ...	17,606,406	10,564,272	3,264,581	226,218,769	127,009,051	45,445,319
Livestock and products	7,819,837	3,681,700	3,379,104	90,108,454	53,935,884	23,532,089
Excess of All Imports (i) or All Exports (e)	(e)	(e)	(i)	(e)	(e)	(i)
Totals, 1935	8,399,565	13,203,214	4,966,916	152,298,085	163,872,672	63,929,941
1934	5,656,598	14,210,532	12,413,433	141,708,000	130,533,570	52,818,572
1933	13,182,100	10,029,992	3,797,777	92,830,713	103,429,169	73,300,517

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE LIABILITY WINDSTORM SPRINKLER LEAKAGE DOCTORS' AND DENTISTS' LIABILITY AUTOMOBILE PLATE GLASS
Head Office—WAWANESA, Man.
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Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

Fostering Involuntary Thrift

The greatest cause of poverty is not inability to earn, but neglect to save.

One of the first merits of life assurance is that it instils the regular and systematic practice of thrift into those who lack the will power to save.

It is a constant brake on families that spend too freely.

It thereby establishes a permanent plan of orderly economy, the need of which heads of households often realize but are unable to enforce.

THE SUN LIFE OF CANADA HAS AN APPROPRIATE PLAN TO COVER EVERY NEED.

See a Sun Life Representative

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE — MONTREAL

Manitoba Surplus Really Big Deficit

Omission of $2,571,278 of unemployment relief expenditures from the Manitoba budget for the year ended April 30, 1935, allows the province to show a surplus of $159,435. If the relief costs were included in expenditures, a deficit of $2,411,843 would be the result.

Hon. E. A. McPherson, provincial treasurer, in presenting the figures, commented as follows on relief costs:

"The problem of financing the cost of relief must be gradually paid out of the annual income. I am hopeful that with continued increase of revenue some provision can be made in the near future toward solving that problem, but the application of any such increase in receipts will only be available if a continued policy of retrenchment and maintenance of expenditures at their present level is effective.

Manitoba Budgets
(Years ended April 30)

	Revenue $	Expenditure $	Deficit $
1935	14,383,862	14,224,427	*159,435
1934	13,966,921	14,003,532	36,611
1933	13,412,404	14,311,482	899,078
1932	12,174,206	14,631,341	2,457,135
1931	14,086,243	14,705,530	619,287
1930	13,992,504	13,802,933	*189,571

*Surplus.

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NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE - WINNIPEG
Splendid Agency Opportunities Available

"EST. 1892"

In 1892 The Great-West Life Assurance Company was established. Since then, it has spread across Canada and entered several States of the American Union. Through service to the insuring public, it has grown greatly until its policyholders are numbered in the hundreds of thousands. For the benefit of those policyholders, well-invested assets of nearly $140,000,000 have been accumulated. In size, in importance and in service to the insuring public, this Company has won its place among the great Life Insurance organizations of the North American continent.

THE GREAT-WEST LIFE ASSURANCE COMPANY
Head Office - Winnipeg, Canada

473 Policies bought from the London Life PER DAY—

Take the "IF" out of "LIFE"

This Company is noted for its financial strength and returns to policyholders.

The London Life's rapid development has been built on the two-fold basis of

SERVICE AND SECURITY

London Life Insurance Company
HEAD OFFICE - LONDON, CANADA

Plan Your Will

As You Would Plan Your House

When building your house, you employ an Architect to put your ideas in the form of plans for the guidance of the builder, and the Architect supervises the construction.

It is equally important, when you are making a Will, to seek expert advice and to appoint an experienced and reliable Executor to carry out your wishes.

We do not draw Wills, but our officers are always ready to advise those intending to appoint us Executor, and to give the benefit of our long and diverse experience in Estate management.

Our booklets on Wills will be sent if you will ask or write for them, and will be found very helpful in planning or revising your Will.

"Some Remarks on Wills"
"A Woman and Her Will"
"Practical Hints on Making Your Will"

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ASSETS UNDER ADMINISTRATION EXCEED $736,000,000

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(B.Sc.A., B.Sc.F., Toronto)

CONSULTING FOREST ENGINEER
QUEBEC, P.Q.

Member Executive, Pacific Logging Congress; Member of Canadian Society Forest Engineers, Quebec Association of Forest Engineers, Senior Member Society of American Foresters.

Organization and management of large pulpwood-logging operations. Available in logging or timberland problems. Bush road construction.

5% Interest

Guaranteed by Trust Deposits.

CHAMPION - SIMMONS

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REGINA SASK.

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

MONTREAL TRUST COMPANY

61 Yonge St., Toronto

J. F. HOBKIRK, Manager

Favor Home Brand

A three-year study by the division of economic fibre production of the experimental farms branch has shown that Canadian home-grown flaxseed has given a higher yield of fibre but a lower yield of seed per acre than imported seed.

FOR 80 YEARS

"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 80 YEARS

"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 80 YEARS

"CANADA PERMANENT" has been a growing asset to Canada, and the

SAFE DEPOSITORY FOR SAVINGS

CANADA PERMANENT MORTGAGE CORPORATION

Head Office: 320 Bay St., Toronto

Combined Assets Exceed $100,000,000

Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Canada Bread B

As an English shareholder of Canada Bread B "Preferred," I should value your opinion on the following:

(1) This company appears to have been grossly (one might say criminally) over capitalized.

(2) It appears to have been formed originally by the Maple Leaf Milling Co., one supposes with the idea of disposing profitably of its flour.

(3) The majority of the common shares of no par value are held by the Maple Leaf Milling Co. One asks naturally how much money was paid into the treasury of Canada Bread by the Maple Leaf Milling Co. on this account. The answer appears to be "nil."

(4) As reconstruction appears inevitable, the first step is the cancellation of the "No par Value" common shares held by the Maple Leaf Milling Co. Of course, those held by private individuals must remain.

(5) As the company seems to be doing a little better, no further reconstruction may be necessary. Can you give me an idea of how future earnings would be divided under the old and the new plans? In either case earnings would be the same. Supposing earnings recovered to old point, what would it mean on each share of new stock as compared with the old?

The present plan of recapitalization of Canada Bread Co. was devised because the president, C. H. Carlisle, and other directors, believe the company has an excessive capitalization. Earnings of boom years were capitalized and hindsight shows the public paid much too much for the B and common shares on the basis of present earnings.

Present no par value common stock carries control but represents little capital investment. Your proposal to give different treatment to shares held by the public and those held by Maple Leaf Milling Co. may be easier to justify as a measure of poetic justice than one of law. The company is not in bankruptcy and there is no likelihood that the Maple Leaf Milling Co. bankers would be willing to let this potentially valuable asset go. Those shares are deposited as collateral for loans given by bankers.

Canada Bread Co. was a merger of leading Canadian bread companies about 1911. Maple Leaf Milling Co. had been a merger of leading flour milling companies in 1910 but it did not get control of Canada Bread Co. until after the war. The exact date of securing control cannot be given but the stock was bought on the open market over two or three years by Maple Leaf Milling Co. and it probably had control in 1922. Maple Leaf Milling Co. had had large war business and had lost contact with domestic market to some extent. The buying of Canada Bread shares was meant as an opening wedge.

In June, 1925, the 25,000 common $100 par value shares were split into one B 7 per cent share of $100 par and one no par value common share. The B shares really represent the old common but the voting power went with the bonus common. This new common was on May 29, 1929, split eight for one into 200,000 no par value common. This made no change except to multiply by eight the number of voting shares. It still continued to be shown on the balance sheet at $25,000. It is not represented at all by tangible assets but might be as a result of the new proposals if these are accepted.

Two situations make it difficult to give the exact comparison you ask between distributions of earnings on the present and proposed capitalizations. First, if the recapitalization allows the company to write down its fixed assets and goodwill by $2.8 millions that would reduce by something like $100,000 the amount which the company has been accustomed to transfer annually to depreciation reserve. That is one of the strong arguments for B shareholders in favor of the present plan. The second consideration is that the A preferred gets 5 per cent to 1941 and then 6 per cent. It is necessary therefore to make the comparison cover only the period to 1941 but you could yourself deduce what the effect would be after 1941 of giving an additional $12,500 annually to A preferred shares.

To understand the comparison you should recall the following features of the recapitalization plan:

A preferred becomes cumulative and changes from a 7 per cent stock to one that pays 5 per cent to 1941 and then 6 per cent;

B preferred changes from a 7 per cent non-cumulative $100 par value stock to a 5 per cent cumulative $50 par value stock;

The 200,000 no par value common shares remain as they are but after 10 cents a share is earned and paid in dividends, further earnings are divided as follows: 80 cents a share to B stock for every 10 cents a share paid to common. On present basis common pays 87½ cents a share before further earnings are shared equally with B stock.

In the years ended 1934 and 1933 there were net deficits before dividends. If this state of affairs continues or even if improvement is slow, the new plan will work out favorably to A preferred and then to B preferred. If A and B earnings are covered from the beginning the new plan gives common an improved position. B stock would eventually profit more than common if earnings get up to old boom year levels.

The following comparative table shows how earnings will apply to the present stock and to the proposed stock if they recover progressively:

Possible Earnings	A Preferred	B Preferred	n.p.v. common
	$	$	$
$87,500			
Present plan	87,500	0	0
Proposed .	62,500	25,000	0
$150,000			
Present ..	87,500	62,500	0
Proposed .	62,500	62,500	25,000
$262,500			
Present .	87,500	175,000	0
Proposed .	62,500	121,250	78,750
$437,500			
Present ...	87,500	175,000	175,000
Proposed .	62,500	208,750	166,250
$603,112‡			
Present ..	87,500	257,806	257,806
Proposed .	62,500	291,556	249,056
$706,146‡‡			
Present ..	87,500	310,323	310,323
Proposed .	62,500	344,073	301,573

‡Profits available in 1929. ‡‡Profits available at peak in 1928. In 1930 profits available were $429,336 but less in following years. Net profits in year ended June 30, 1935, were about enough to pay A preferred dividends on new basis. Same earnings in current year on new basis would permit paying initial B dividend if depreciation transfer is cut in two and possibly initial dividend on common as well. There is no immediate prospect of earnings like those of 1928, 1929 and 1930.

Restigouche

In regard to the Restigouche 6 per cent bonds, will these be paying the back interest as stipulated in the reorganization plan? What is the present market price of this security and has the company been making progress?

The Restigouche Co. has been able to record considerable improvement in its position since the reorganization in 1932. The net working capital position has increased from $66,998 to $740,361 at the end of last year. At the same time net earnings available for depreciation and interest have advanced from $138,270 in 1932 to $637,256 in 1934.

Interest payments on the company's funded debt were suspended from February 1, 1932, to February 1, 1934, but will be payable in five annual installments beginning August 1, 1937, with interest on the overdue interest at the rate of 6 per cent per annum.

Interest payments were resumed on August 1, 1934, covering interest accrued during February, 1934, and subsequent months. Interest due February 1, 1935, was paid, while the company has made provision for the payment of the semi-annual interest due on August 1 next.

At the moment the market on Restigouche bonds is 83 bid and 86 asked.

Calgary Power

As a subscriber to The Financial Post I would ask you to be good enough to let me have the market value of Calgary Power preferred. Also I would like any other information you may have so that I could form an opinion on the investment merits of the security.

At present there is a market of 83½ to 86½ on Calgary Power preferred. The wide spread in the value of this security is a reflection of the uncertainty in respect to the Ontario Hydro situation.

As you probably are aware, the Ontario Hydro has threatened to repudiate the contracts between the Ontario Hydro and Gatineau Power Co.; MacLaren Quebec Power Co., Ottawa Valley Power Co. and Beauharnois Power.

Calgary Power is interested in this situation through control of junior bonds and common stock of the Ottawa Valley Power Co. It has invested approximately two million dollars in this venture and the revenue from this source plays an important part in the ability of Calgary Power to pay dividends on its own common stock and preferred stock. In the event that Ottawa Valley Power contract with Ontario Hydro is repudiated, the position of Calgary Power's capital stock would not be particularly satisfactory. In consequence of this uncertainty, the preferred stock of Calgary Power has been selling at a relatively substantial discount and the market is not particularly stable as indicated by the wide spread in the prices mentioned above.

Traders Finance

Will you kindly give me a report on Traders Finance Corp. and tell me the price of the preferred shares?

Traders Finance Corp. has just been reorganized. The respective dividend rates of 7 and 8 per cent on the A and B preferred shares have been reduced to 6 and 7 per cent. Holders of A preferred shares have been given $24.50 a share in dividend funding certificates for their arrears. These certificates carry a non-cumulative dividend of $1 annually. The B preferred got dividend funding certificates for $28 each per share, which also carry the non-cumulative $1 dividend. The effect of the scheme is to wipe out arrears of dividends and to substitute a non-cumulative dividend of $1 per annum on each preferred share for the reduction of $1 a share in the cumulative dividend rate.

These changes are of significance because the earning power of the company has been increasing in the past two years. The changes may mean that preferred dividends will soon be paid. The wiping out of arrears may allow earlier payment of some dividend on the common shares which are closely held. In 1934, net operating profits of the company were $123,310 compared with $97,269 in 1933. In both years heavy write-offs were made in respect of paper purchased prior to 1933, some of which debts may not be collectible. After deducting reserve for doubtful notes and accounts, the company had $3.6 millions of notes and accounts receivable on its books at the end of 1934. This was over twice the amount at the end of 1933. The importance of this is that it is from discounting these notes that the company gains its earnings. Furthermore, much larger sales of Ford automobiles in 1935 indicate that the volume of business has been increased since the end of last year. Thus, it is probable that the company will have considerably higher earnings in 1935.

Under the capital reorganization, preferred shareholders hardly seem to have improved their position. The improvement in the company's earnings, however, is beneficial to the preferred shareholders. Dividend policy will probably depend to a large extent upon the amounts that may have to be written off for bad debts. Such large amounts have been written off recently that it would seem the company should not have to make such large deductions in future, unless the management is such as to result in acquisition of additional losing accounts. The present price of the preferred shares is $62.50 bid. Offerings of the shares are scarce, and the trading price may be somewhat above this level. Trading in the shares is inactive, and is carried on chiefly among unlisted security dealers.

Various interests were involved in the reorganization. Rt. Hon. Arthur Meighen, who is president of Traders Finance Corp. also heads Canadian General Securities which holds common shares of the finance company. He is also president of Canadian General Investments, an "investment trust" which is an important holder of preferred shares of Traders Finance. The reorganization appears to benefit the common shares rather than the preferred. Although the scheme was accepted unanimously by a meeting of preferred shareholders, some criticism has been expressed.

Lloyd Refineries

What do you think of Lloyd Refineries stock for a five-year hold?

The stock of Lloyd Refineries is not listed anywhere and therefore marketability is low. The refinery was constructed at Port Credit a few years ago. The company has been marketing its products in Toronto. It is a difficult thing to say what the future of such a company will be. It is meeting competition from the very largest companies and it is now faced with the possibility of inspection from Ottawa in co-operation with the provincial government. It is understood that products of small refineries around Toronto have been offering at considerably below prices of branded products.

We are unable to say how such inspection would affect Lloyd Refineries but it is intended to eliminate the products of all companies which cannot measure up to the new regulations, as to minimum knock rating. Here and there around the Toronto area there have been price wars on account of sale of low-priced gasoline of inferior knock rating and any attempt to push sale at prices much lower than well-known gasolines can be expected to produce competition at levels below costs. That is now happening in Montreal. Yet price must be the main appeal of a small refinery.

Shawinigan

It would be appreciated if you would let me have an opinion on the current position of Shawinigan Water and Power Co. I hold a few shares of stock in this company and am wondering what progress it is making during the current year.

The position of Shawinigan Water and Power Co. has been steadily strengthening. As you have probably seen from the columns of The Financial Post, the company's output this year has been at record levels. A proportion of this larger output has had to be sold at a low rate for electric boiler and other purposes. However the firm power demand has been increasing and expectations are that power revenue for 1935 will be on a basis comparing satisfactorily with that for 1934. In addition the finances of the company are further strengthened by the fact that the company no longer has to pay a heavy premium on bond interest payable in United States. This has resulted in a big saving.

The proposed establishment of a Hydro-Electric Power Commission in Quebec may affect operations of some of the retail power companies, but as the greater part of the Shawinigan business is in the wholesale field, it is not expected that any developments from that source will seriously affect the position of the company.

Other activities are shaping up well, and the outlook for the company appears satisfactory.

Mining Enquiries

Paymaster Consolidated

My bank, to whom I appealed for some information in regard to a gold mine known as the "Paymaster mine," have referred me to you.

I would greatly appreciate any information it would be possible for you to furnish on this matter.

Paymaster Consolidated Mines is operating a former producing gold property in the Porcupine area of Ontario, on which production was resumed in Sept., 1934. During the quarter ended March 31, 1935, the company handled 13,412 tons with an average recovery per ton of $4.36 with gold at 20.67 with a total bullion recovery of $58,432. In Canadian funds this bullion recovery amounts to $98,959. We have seen no recent estimate of ore reserves, but in September last year the company estimated indicated and partially blocked out ore to total 51,000 tons with a total value of $511,000. Since that figure was issued the company has done considerable development work and the results have been encouraging. The company is now treating slightly over 200 tons of ore per day.

One drawback to the market activity of this stock is its rather unwieldy authorized capitalization which amounts to $9 millions in $1 par value stock. Of these, $5,448,318 were outstanding at the date of the last annual report, June 30, 1934. At that date the company's balance sheet showed current assets of $56,392 as compared with current liabilities of $7,597, leaving a working capital position of $48,795.

South Shore Syndicate

I would like particulars as to the merits of South Shore Gold Syndicate, which is situated near Porcupine Lake near Dome Mines, and which I have been advised to buy.

South Shore Gold Syndicate, which owns 200 acres in Whitney Township, just south of Porcupine Lake, has been doing fairly consistent work on its property with fair results. Work to date, however, has been of a surface nature only and the property has a long way to go before it graduates from the speculation class. The Syndicate has never issued a financial statement, but officials tell us they have sufficient funds to carry out a summer's work.

You are probably aware that Noranda Mines was active on a property adjoining South Shore Gold Syndicate. One of the most promising showings on Noranda's property was an outcropping of schist which at one place showed values of 1½ ounces gold per ton across 15 feet. This outcropping is about 90 feet from the boundary of South Shore and South Shore now plan to seek for the continuation of this body on their property. Noranda has temporarily suspended operations on this property, we understand, to concentrate on development of Pamour. To summarize, while early indications at South Shore warrant further work, it must be remembered that it is still a syndicate and still very much of a speculation.

Cartier Malartic

Information has come to the writer that Ventures Ltd. has taken over Cartier Malartic.

Kindly confirm, and would be pleased to have a report on this property. Now that Ventures are in the picture, could you discover their plans? Will they develop the property, or will they spend their time on more of their attractive holdings? I am holding a block of these shares.

Ventures Ltd. has of itself no option on Cartier Malartic. It does, however, control Canadian Gold Operators Limited, which has as its chief property certain holdings of Cartier Malartic Gold Mines. Canadian Gold Operators has held this property for some time, but preliminary work was not encouraging, and there has been no activity on the property for two years. Officials inform us that they have no intention at the moment of resuming operation.

Rickard Ramore

Will you please give me as much information as is available on Rickard-Raymore Gold Mines, the stock of which is, I understand, being sold by the Jas. Travis Co. Ltd.? It has been suggested to me that I buy this stock as a short term speculation and I would like your advice.

Rickard-Ramore Gold Mines recently shipped in a plant capable of sinking a shaft to 300 ft. This marks a definite step in the progress of the company, prior work being confined to the surface.

The property itself is an old one but, to our knowledge, no engineer's report has been made public. Some interesting samples have been obtained, but they were grab samples and not the result of systematized assay. Mining Corporation took a working option on the property but dropped it when they failed to discover an ore body of commercial grade. The new company claims that five veins have been uncovered on the property and that a shaft, sunk by former operators to a depth of 100 ft. gave commercial ore to a depth of 40 ft., at which point the vein dipped out of the shaft.

The company has issued no balance sheet so that any estimate of its financial position would be mere guesswork. J. W. Morrison, president of the company, and M. Hollands Hurst, one of the directors and actively in charge of developments, are both experienced mining engineers, the former at one time having been manager of Lakeshore Mines.

The company has an authorized capitalization of 3 million shares of no par value of which, we understand, 1.5 millions were issued for the property and held in escrow.

While this company is getting excellent management and preliminary results have been good, it is still in the speculation class.

The WESTERN SAVINGS AND LOAN ASSOCIATION

WINNIPEG

AGENCIES

McCallum Hill & Co., Regina — Butler Byers Bros., Ltd. Saskatoon — F. J. Lorimer & Co., Edmonton

British Canadian Trust Co., Lethbridge — Equitable Agencies, Ltd., Calgary

Rackets

"With Funds Available"

UNEMPLOYED persons with some funds available have proved a favorite target for racketeers during the depression. Though the stake in this is usually limited, it should be realized that probably a great deal more money is lost in more or less petty rackets than in those that run into three and four figures.

The mail and small advertisements are used freely to connect the racketeer with his victim. Several lines may be taken but two of the most common are offers of a job, provided some capital is subscribed, or offers of payment for special work done with special equipment which the racketeer supplies at a price.

Activity on the part of provincial security commissioners and other law enforcement officers has largely run the job racket out of the country. Nowadays any small advertisement which features a position, provided money is invested, is promptly investigated. This is done not only by the government authorities but usually also by the newspaper in which the advertisement is inserted.

But home work schemes are said to be still flourishing. Through the mail or an advertisement, the unemployed person with a little capital is advised to send away for books of instruction, equipment, etc., on the understanding that the work done will be paid for by the advertiser. But the advertisement is usually worded in such a way that there is no guarantee that any such work will be purchased. As a matter of fact, when the scheme is a pure racket, this work is never paid for. In this case, the victim is out his time and the $5 to $150 which he has invested in more or less worthless books and special equipment with no marketable value.

BRONZE POWDERS PLACES COMMON ON PAYING BASIS

Bronze Powder Manufacturer Declares First Dividend of 25 Cents

From Our Own Correspondent

MONTREAL.—Directors of International Bronze Powders, which recently carried out public financing, have declared an initial dividend of 25 cents a share on the common stock of the company, payable July 15 to holders of record as at June 30.

Capitalization of International Bronze Powders comprises 75,000 shares of 6 per cent cumulative participating preferred stock and 75,000 shares of common stock. Regular dividends have been paid on the preferred stock since it was put on the market last year, but this is the first dividend disbursement on the common stock.

The preferred stock is non-callable, and its participating feature is an unlimited one. After the common shares have received dividends of $1.50 a share in any one year, the preferred participate share for share with the common in any further disbursements made in that year.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

Holiday in 17th Century

QUEBEC

in old FRENCH CANADA

Leisurely explore the ancient, walled-in Capital—the old Market Place, the Basilica, Breakneck Stairs, Sous le Cap, and Little Champlain Street. Poke about the old shops, picking up habitant homespuns and handicraft work. Visit quaint Ile d'Orléans—miraculous Ste. Anne de Beaupré. Guests of the Chateau Frontenac are extended the courtesy of the Montmorency and Royal Quebec golf clubs.

And the highlight of the holiday is the good living you will enjoy at the Chateau Frontenac, with its excellent cuisine, rare vintages, good music, dancing, entertainment and comfortable guest rooms. Commandingly situated overlooking the St. Lawrence River, the Chateau Frontenac is the gathering place for the social life of Quebec.

CHATEAU FRONTENAC RATES—EUROPEAN PLAN

Single room, with bath, $4.50 up; double, $8.00 up

LOW ROUND TRIP RAIL FARES

Chateau Frontenac

For full information communicate with Manager, Chateau Frontenac, Quebec, or your nearest Canadian Pacific Agent.

A CANADIAN PACIFIC HOTEL

THE ONTARIO LOAN AND DEBENTURE CO.

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Assets over $14,000,000

3% PAID ON DEPOSITS 3½% ON DEBENTURES

Archibald McPherson, *President.* T. H. Main, *Manager.*

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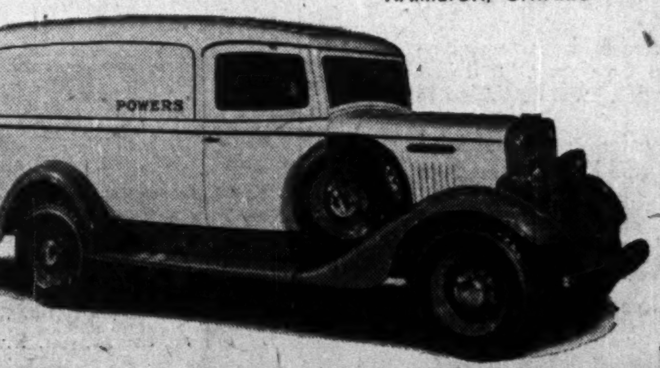
But even more important than the prestige are the larger profits that you make when you use Internationals. Profits that come from savings—day-after-day economies in operation that make your hauling costs so much lower with Internationals.

Mechanical perfection is built solidly into every International by men who work only on trucks (a truck body mounted on a passenger-car chassis, powered by a passenger-car engine, is not our idea of a truck). It is our experience with trucking needs that makes your trucking costs so much lower when you use Internationals.

International Truck dealers and Company-owned branches all over the Dominion sell and service International Trucks. Ask the nearest representative for information, or write direct to us for complete details.

INTERNATIONAL HARVESTER COMPANY OF CANADA LTD.
HAMILTON, ONTARIO



Ask for demonstration of any model. Sizes, ½-ton to 10-ton. Chassis prices start at f. o. b. Chatham, Ont. **$581**

(Sales Tax Included)

Illustration at the left shows the half-ton International with panel body.

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SAIL THE Cruising Route TO EUROPE

●1,000 miles of sailing down the picturesque St. Lawrence Seaway. Sounds like a cruise, yet it is the *regular* short Canadian Pacific route to Europe : : : with only 3 or 4 days on the open sea.

Choose your accommodation from a whole fleet—the *Empress of Britain, Empress of Australia, Duchesses* and *Mont* ships are at your service. First, Cabin, Tourist and Third Class, at rates that are surprising low.

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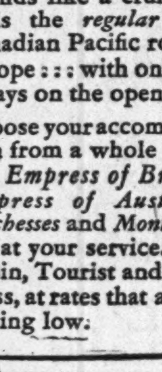

1935—King George V Silver Anniversary

July 27, 29, 30—Davis Cup Challenge Round, Wimbledon.
July 29 to end of August—Malvern Dramatic Festival.
August 5 to 10—Royal Yachting Regatta, Cowes.
September 5—Royal Highland Gathering, Braemar, Scotland.

Plan to attend. An experience never to be forgotten.

Frequent sailings every week from Montreal and Quebec to British and Continental Ports. Ask for bulletin of Conducted All-Expense Tours.

Full information from your own travel agent, or J. C. PATTESON, Steamship General Agent, Canadian Pacific Bldg., Toronto.

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"Canadian Pacific Express Travellers' Cheques . . . Good the World Over"

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CALGARY .. CANADA

Wholesale Sales in 1934

Increases in the value of wholesale sales for 1934 over 1933 are shown in the Dominion figures for every kind of business specified. The gains range from 4.6 per cent for drugs and drug sundries to 43.9 per cent for metals and metal work.

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

KODAK

CANADIAN KODAK CO., LIMITED

In 1888 the trade name "Kodak" was created by the late George Eastman. It was used to indicate certain products of the Eastman Company, to which it was applied.

Through advertising "Kodak" became synonymous with "camera" and the slogan, "If it isn't an Eastman, it isn't a Kodak," was employed to protect the public.

World-wide popularity for the dependable photographic products of the Kodak Companies was gained through advertising.

Kodak photographic products have been manufactured in Canada since 1900 by Canadian Kodak Co., Limited.

Advertising of the Company appears in

Maclean's
Canada's National Magazine

SALMON FLEET RETURNS WORST IN FIVE YEARS

Pack Far Below Normal For Early Part of Season

From Our Own Correspondent

VANCOUVER.—Although the season is yet young, the returns from the British Columbia salmon fleet have so far been about the worst in five years, and the prospects of a comparatively active period for the packers are remote.

The total pack of salmon at June 29 stood at 15,678 cases as compared with 46,273 cases at June 30, 1934; 23,400 cases at the same date in 1933; 42,456 cases in 1932, and 19,044 cases in 1931.

Sockeye Run Late

Several factors are responsible for this situation, one of them being the late appearance of the sockeye run on the west coast of Vancouver Island and the other being the prolonged strike of blueback trollers. Several canneries also postponed their opening until comparatively late.

Sockeye, fished only on the west coast to date, show the biggest comparative drop this year so far, the total being 5,188 cases, while at the same time last year nearly five times as much sockeye salmon had been brought in. Only about one quarter the amount of bluebacks taken at this time last year have been caught. There has been a decline in spring salmon. Cohoes, an insignificant factor, rule about the same as last year in quantity.

In the northern area, where fishing opened July 1, the take has so far been light, but there are good prospects of improvement. Weather has been bad in that section.

Wentworth Radio Co. Has $3,348 Net Loss

Wentworth Radio and Auto Supply Co. had a net operating profit for the fiscal year ended April 30, 1935, of $8,674. After providing for depreciation, directors' fees, and taxes, the company had a net loss of $3,348.

Cash is shown at $32,235; inventories at $162,867; and accounts receivable at $30,734. Working capital amounted to $173,349. There is a mortgage payable of $66,000. There are outstanding 3,000 shares of 6½ per cent preferred stock, 26,792 shares of class A stock, and 4,000 shares of class B stock.

Dividends Declared

	This payment	Date payable	Date of record
Buywell Food, pf.	70c	July 15	June 14
Beatty Bros. 1st. p.	$1.50	Aug. 1	July 15
Brant. Cord. 1st. p.	50c	July 15	June 20
Brew. Corp. pfd.	37½c	July 15	June 29
Beld. Cort. c.	$1	Aug. 1	July 15
Beld. Cort. pfd	$1.75	Sept. 14	Aug. 31
B. C. 'Phone 1st pf.	$1.50	July 2	June 15
Do., 2nd pf.	$1.50	Aug. 1	July 17
Bell Telephone	$1.50	July 15	June 22
B. C. Power A	37c	July 15	June 29
Bruck S. Mills	30c	July 15	June 15
Biltmore Hats, c.	50c	July 15	July 3
Can. Bronze	15c	Aug. 1	July 19
Do., pref.	$1.75	Aug. 1	July 19
Can. L. & Pr.	50c	July 15	June 30
Can. Nor. Power	30c	July 25	June 29
Do., pref.	$1.75	July 15	June 29
Can. Indust. A & B	$1	July 31	June 29
Do., extra	75c	July 31	June 29
Do., pref.	$1.75	July 15	June 29
Canada Dry	10c	July 15	July 1
Can. Gen. Invest.	10c	July 15	June 29
Cons. Smelters	$1.25	July 15	June 25
Can. South. Rly. c.	$1.50	Aug. 1	June 28
Can. Converts	50c	Aug. 15	July 31
Can. Fairbanks, p.	$1.50	July 15	June 29
Calgary Power, pf.	$1.50	Aug. 1	July 15
Dome Mines	50c	July 20	June 29
Do., extra	$2	July 20	June 29
Dom. Textile pref.	$1.75	July 15	June 29
East. Theatres, pf.	$3.50	July 31	June 29
Gordon & Bel. pf.	$1.50	July 2	June 28
Do., on arrears	75c	July 2	June 28
Guar. of N. Amer.	$1.50	July 15	June 29
Do., extra	$2.50	July 15	June 29
Gt. Lakes Pow., pf.	$1.75	July 15	June 29
Hollinger Gold	5c	July 15	June 28
Do., extra	5c	July 15	June 28
Humberstone Shoe	50c	Aug. 1	July 8
Imperial Bank	$2.50	Aug. 1	June 29
Inter. Utilities pf.	87½c	Aug. 1	July 20
Do., $3.50 pf.	43¾c	Aug. 1	July 20
Inter. Power. pfd.	$1	July 15	June 29
Int. Nickel, pfd.	$1.75	Aug. 1	July 2
Invest. Found., pf.	38c	July 15	June 30
Do., on arrears	12c	July 15	June 30
Inter. Bronze	*25c	July 15	June 30
Do., pref.	37½c	July 15	June 30
McLennan, McFeely, pf.	$1.62½	July 2	June 22
McColl Fron. pfd.	$1.50	July 15	June 29
Mtl. Trams.	$2.25	July 15	July 5
Montreal L. & Pr.	38c	July 31	June 30
Montreal Tele.	80c	July 15	June 29
Nat. Biscuit pf.	$1.75	Aug. 31	Aug. 15
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Nanaimo-Duncan Utilities, pfd.	81¼c	June 1	May 15
Do., com.	†25c	Apr. 1	Mar. 20
N. B. Tele. c.	12½c	July 15	June 29
Power Corp., pfd.	$1.50	July 15	June 29
Do., 2nd pfd.	75c	July 15	June 29
Premier Gold	3c	July 15	June 14
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 22
Paton Mfg. pfd.	$1.75	June 15	May 31
Rolland Paper, p.	$1.50	Sept. 2	Aug. 15
So. Can. Power pf.	$1.50	July 15	June 20
So. Can. Pwr. c.	20c	Aug. 15	July 31
Steel of Can.	43¾c	Aug. 1	July 6
Do., pref.	43¾c	Aug. 1	July 6
San Antonio Gold	7c	Aug. 1	July 15
So. Amer. Gold	10c	July 25	July 11
Tuckett Tob. pf.	$1.75	July 15	June 29
Toburn Gold	2c	Aug. 21	July 29
Toronto Elev., pf.	$1.75	July 15	July 2
United Secs.	50c	July 15	June 27
Un. Gold Equit.	2½c	July 15	July 5
West. Grocers	50c	July 15	June 20
Do., pref.	$1.75	July 15	June 20

*Initial. †Interim.

Dividends Increased—
Bruck Silk Mills, July 15, 25c to 30c quarterly.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 8

Range 1935 High	Low	Divd. Rate in $	Y'ld in % July 6		Sales	Close July 1 (last)	Week Ending (or July 8) High	Low	Close
				A					
2.00	.60	.	...	Abitibi	600	.70	.60	.60	.60
9½	3	.	...	Do. pref. 6%	105	4	4½	4	4
6½	3	.	...	Do. cert. dep.	....	3½	..	..	..
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	....	3½	..	..	..
45	32	3.25	8.1	Do. pref.	....	40	..	..	..
9	7½	20c	...	Agnew Surp.	....	8	..	..	..
100	96	7	7.1	Do. pref.	....	98½	..	..	..
3½	1	.	...	Alta. Pac. Gr.	....	2	..	..	..
29	17½	.	...	Do. pref.	75	17½	18	17½	18
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	15	.	...	Do. pref.	....	17	..	..	..
30½	25	.	...	Amer. Celanese	....	25	..	..	..
21½	16	.	...	Amer. Cyn. B.	100	21	21½	21½	21½
13½	6	.	...	Asbestos v. t.	256	13	12½	12½	12½
13½	10½	25c	...	Assoc. Brew.	215	12½	12½	12½	12½
110	104	7	6.6	Do. pref.	....	106	..	..	..
‡4½	3	.	...	Assoc. Can.	....	3	..	..	..
				B					
66½	55	2.52	...	Bank of Canada	287	61½	62	61	61½
132	126	8	6.2	Bk. Can. Nat.	32	128½	128½	128	128½
204	172	8	4.3	Bk. Montreal	125	180	184	181	182½
305	265	12	4.4	Bk. N. Scotia	135	275	270	265	265
235	200	10	5	Bk. Toronto	45	201	201	200	200
11	11	50c	...	Barcelona	1	11	11	11	11
6½	4½	.	...	Bathurst Pr.	910	5½	6	5½	6
2.00	1.00	.	...	Do. (B)	30	1.25	1.25	1.25	1.25
3	1	.	...	Bawlf Grain	....	1	..	..	..
40	20	.	...	Do. pref.	20	25	20	20	20
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A	15	10½	10½	9½	10½
93	85	6	6.5	Do. pref.	40	92½	92½	91	92½
7½	2½	.	...	Beauharnois	458	3	3½	3	3
98½	85	4	4.2	Belding Cort.	5	96½	96	96	96
[illegible]									

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Low	Divd. Rate in $	Y'ld in %		Sales	Close July 1 (last)	High	Low	Close
				V					
2.00	1.45	.	...	Viau Biscuit	....	1.75	..	..	..
20½	12	.	...	Do. pref.	....	20½	..	..	..
				W					
27	17½	.	...	Wabassa Cot.	75	19	18½	18½	18½
33	23	.	...	Walker-Good.	4636	25½	26½	25	26½
18½	16½	1	5.6	Do. pref.	1425	17½	18	17½	18
4.25	2.87	.	...	Walkerville Br.	790	3.10	3.35	3.00	3.25
2½	1	.	...	Waterloo Mfg.	....	1½	..	..	..
6½	2½	.	...	West. C. Flour.	100	3	3	3	3
52	20	.	...	Do. pref.	....	24	..	..	..
36	32	50c	...	West. Grocers	....	36	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
46½	27	1	3.2	Weston Ltd.	650	31½	31½	31½	31½
113	108	7	6.4	Do. pref.	....	110	..	..	..
3½	1½	.	...	Whittall Can.	....	2½	..	..	..
82½	75	6.50	7.8	Do. pref.	....	82½	..	..	..
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
2.25	.90	.	...	Winnipeg Elec.	466	1.00	1.15	1.00	1.00
10	4	.	...	Do. pref.	190	6½	7	6½	7
30	30	.	...	Wood, A.&J. p.	....	30	..	..	..
70	60	.	...	Woods Mfg. pf.	85	60	60	60	60
				Z					
5½	4	.	...	Zimmerknit, c.	....	4	..	..	..
85	65	7	10.8	Do. pref.	....	65	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933.
† Quotations for 1931.
a Stock dividend.
b New York Quotations.
x On account of arrears.

Dominion and Provincial Bonds

July 10, 1935

(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

		Bid July 10	Asked July 10	Approx. Yield	Bid July 2
Dominion .. 3½	15 Oct. 1935	100.35	100.65	1.06	100.35
Dominion .. 4	15 Oct. 1935	100.50	100.80	1.01	100.50
Dominion .. 2	15 Oct. 1936	100.10	100.45	1.64	100.00
Dominion .. 3	15 Nov. 1936	104.10	104.45	1.62	104.00
‡†Dominion .. 5	1 Mar. 1937	106.25	106.65	.92	106.25
‡Dominion .. 5½	1 Dec. 1937	109.45	109.75	1.35	109.50
Dominion .. 2½	15 Oct. 1939	101.10	101.60	2.11	100.80
Dominion .. 4	15 Oct. 1939	107.15	107.65	2.11	107.00
Dominion .. 4½	1 Sept. 1940	109.65	110.15	2.40	109.15
Dominion .. 5	15 Nov. 1941	111.75	112.25	2.87	111.15
Dominion .. 3	15 Oct. 1942	102.25	102.75	2.58	101.50
Dominion .. 2½	1 June 1943	98.85	99.35	2.59	98.50
Dominion .. 5	15 Oct. 1943	112.75	113.25	3.17	112.15
Dominion .. 4½	15 Oct. 1944	110.00	110.50	3.18	109.50
Dominion .. 4	15 Oct. '43-45	105.75	106.25	3.14▲	105.25
Dominion .. 4½	1 Feb. 1946	110.00	110.50	3.35	109.65
Dominion .. 3½	15 Oct. '44-49	102.15	102.65	3.17▲	101.65
Dominion .. 4	15 Oct. '47-52	105.65	106.15	3.38▲	105.00
Dominion .. 3	1 June '50-55	98.35	98.85	3.08	97.75
Dominion .. 4½	1 Nov. '46-56	108.25	108.75	3.54▲	102.85
Dominion .. 4½	1 Nov. '47-57	108.25	108.75	3.61▲	108.00
Dominion .. 4½	1 Nov. '48-58	109.00	109.50	3.59▲	108.50
Dominion .. 4½	1 Nov. '49-59	109.05	109.55	3.63▲	108.65
Dominion Guaranteed Bonds					
*G.T.P. Rly. 3	1 Jan. 1962	99.00	99.50	3.03	98.75
Can. N. Ry. 3	1 May 1944	99.85	100.35	2.95	99.50
Can. N. Ry. 3	15 Dec. '45-50	98.75	99.25	3.06	98.00
*Can. N. Ry. 4½	1 Sept. 1951	111.50	112.00	3.53	111.35
†Can. N. Ry. 4½	15 Sept. 1954	102.50	103.25	4.25●	102.50
*Can. N. Ry. 4½	1 Feb. 1956	112.15	112.65	3.63	111.85
†Can. N. Ry. 4½	1 July 1957	110.00	110.50	3.79	110.00
*Can. N. Ry. 4¾	15 June 1955	114.35	114.85	3.69	114.15
Can. N. Ry. 5	1 Feb. 1954	114.75	115.25	3.86	114.50
*Can. N. Ry. 5	1 July 1969	114.35	114.85	3.54▲	114.15
*Can. N. Ry. 5	1 Oct. 1969	117.00	117.50	3.69▲	117.00
*M. Harb. C. 5	1 Nov. 1969	117.00	117.75	3.67▲	117.00
Provincial Government Bonds					
Eastern—					
†N. Bruns... 4½	15 Apr. 1961	107.50	108.50	3.97	107.50
†N. Bruns... 5	15 Jan. 1960	114.00	115.00	4.03	114.00
N. Bruns... 5½	15 May 1950	113.00	114.00	4.23	113.50
N. Scotia .. 4½	15 May 1943	107.00	108.00	3.34	107.00
†N. Scotia .. 4½	15 Sept. '47-52	108.00	109.00	3.59▲	108.25
N. Scotia .. 4½	15 May 1961	109.00	110.00	3.89	109.25
†N. Scotia .. 5	1 Mar. 1960	115.00	116.00	3.98	115.25
*Ontario 4	1 June 1962	104.50	105.50	3.68	104.50
*Ontario 4½	1 Sept. 1944	110.00	110.75	3.14	109.75
Ontario 4½	1 June 1960	107.75	108.25	3.77	107.65
*Ontario 4½	15 Jan. 1962	108.75	109.75	3.91	108.75
Ontario 5	15 Oct. 1948	111.00	111.75	3.85	111.00
*Ontario 5	2 Dec. 1960	116.00	116.75	3.95	116.00
Ontario 5½	1 July 1946	113.50	114.25	3.90	113.00
O. H. C. 3½-4-5	1 Oct. '33-52	99.25	100.00	3.50▲	99.25
*Ont. Hyd. C. 4	1 Aug. 1957	103.00	104.00	3.73	103.50
Ont. Hyd. C. 4¾	1 Jan. 1970	109.00	110.50	4.17	109.00
Quebec 4	15 Mar. 1952	106.00	107.00	3.45	106.00
Quebec 4¼	1 Aug. 1958	110.25	111.25	3.53	110.25
Quebec 4½	2 Jan. 1963	112.50	113.50	3.71	113.25
Western—					
†Alberta 4	1 Dec. 1957	92.00	93.00	4.50	90.50
†Alberta 4½	1 Oct. 1956	94.50	95.50	4.84	94.25
†Alberta 5	1 Jan. 1948	100.00	101.00	4.89	99.50
Alberta 5	1 Sept. 1955	99.25	100.25	4.96	98.50
*Alberta 5	1 Oct. 1959	100.25	101.25	4.91	100.00
†Alberta 5½	1 Jan. 1947	102.25	103.25	5.13	102.25
Alberta 6	1 Mar. 1947	103.50	104.50	5.46	103.50
†Brit. Col. .. 4	1 Dec. 1957	92.00	93.00	4.50	91.75
*Brit. Col. .. 4½	15 Jan. 1951	97.00	98.00	4.68	97.00
†Brit. Col. .. 4½	1 Oct. 1953	95.00	96.00	4.83	94.50
†Brit. Col. .. 5	15 Jan. 1948	99.50	101.00	4.90	99.50
Brit. Col. .. 5	1 Sept. 1953	99.50	100.50	4.96	99.00
Brit. Col. .. 5½	1 Feb. 1945	102.25	103.25	5.07	101.50
Brit. Col. .. 6	15 Feb. 1947	103.50	104.50	5.48	103.50
†Manitoba .. 4	1 Dec. 1957	98.00	99.00	4.07	98.25
†Manitoba .. 4½	15 Dec. 1956	102.25	103.25	4.26	102.25
†Manitoba .. 5	15 June 1954	106.50	107.50	4.41	106.50
*Manitoba .. 5	2 Dec. 1959	107.50	108.50	4.43	107.50
Manitoba .. 5½	1 Oct. 1955	107.50	108.50	4.84	107.50
Manitoba .. 6	1 Apr. 1947	108.50	109.50	4.94	108.50
Sask. 4	15 Aug. 1953	89.25	90.25	4.80	89.00
*Sask. 4½	2 July 1945	98.25	99.25	4.60	97.50
†Sask. 4½	1 Oct. 1951	95.75	96.75	4.79	95.25
Sask. 5	1 Aug. 1958	100.50	101.50	4.89	100.00
†Sask. 5½	15 Nov. 1946	103.25	104.25	5.00	103.00
Sask. 6	15 Mar. 1952	107.25	108.25	5.26	106.50
Municipal Bonds					
†Calgary 5½	2 June 1944	87.00	91.00	6.86	84.50
†Edmonton.. 5½	1 Nov. 1945	89.00	92.00	6.56	88.00
†Halifax 5	1 July 1961	113.25	114.75	4.07	112.50
Hamilton .. 5	1 May 1950	101.00	104.00	4.62	101.00
Montreal ... 5	1 Mar. 1945	103.00	105.00	4.37	103.00
Ottawa 4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec 5	1 June 1959	106.75	108.25	4.44	107.00
Regina 5	1 July 1944	79.00	83.00	7.63	79.00
St. John ... 5	15 Dec. 1950	107.25	108.75	4.22	108.00
†Toronto 4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver . 5	1 June 1969	82.00	85.00	6.04	82.00
Victoria ... 5	21 July 1945	85.00	90.00	6.34	84.00
Winnipeg .. 5	1 Mar. 1944	102.00	104.00	4.43	102.00

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Unlisted Mining Stocks

July 9, 1935

	Bid	Asked		Bid	Asked
Ascot	.27	.29	Hislop Gold	.06	.08
Arntfield Gold	.78	.82	Horseshoe	.01	.02
Arntfield Synd.	.90	1.00	Hudson Patricia	.17½	.19½
Adanac	.09	.11	Jellicoe	..	.04
Ardeen	.05	.06	Johnson Nip.	.02	.03
Athona	.64	.67	Kowkash	..	.05
Bailor	.01	.02	Kirk. Gold Belt	.07	.09
Bidgood Kirk.	.04½	.06	Lafayette L. Lac	.06½	.07½
Big Long Lac	..	.06	La Palme	.20	.23
Bankfield Gold	.15	.16	Long Lac Lagoon	.03	.04
Bathurst	.01	.02	Lamaque Gold	2.30	..
Bosquet Gold	.11½	.12½	MacFarlane	..	.03½
Can. Pandora	.03	.04½	MacL. Cockshutt	.04½	.05
Can. Radium	.32	.35	Magnet Lake	.03½	.04½
Casey Summit	.05	.07	Matachewan Can.	.07	.09
Canusa Mining	.05	.07	McCarthy Webb	.10	.11
Casey Contact	.06	.07	Morrison Mines	.16	.19
Central Porc.	.20	.24	Mosher	.01½	.02½
Cons. Chib. Free.	.70	.80	Marbuan	.44	..
Cons. Chib. Pool.	.60	.70	Murwood	..	.12
Columario	.01	.02	N. A. M. E. Un.	15.00	16.00
Chromium M. & S.	.44	.48	North Shores	.02	.03
Cuniptua	.06½	.10	Oklend	.19	.21
DeSantis	..	.20	O'Leary	.08	.09
Dorval Siscoe	..	3.50	Pamour Porc.	1.90	2.05
Dunlop Cons.	.01	.02	Rice Lake	.02½	.03½
El Bonanza	.16	.18	Sakoose	.04	.06
Forty-Four Gold.	8.25	9.50	Shawkey	.39	.41
Franklin Gold	.30	.32	Silverado Gow.	.30	.33
Garnet L. Lac	.01½	.02	Smelter Gold	..	.06
Glenora Gold	..	.08½	Smith Cobalt	.16	.17
Galatea	..	.06	Straw L. Beach	.14	.16
Goldside	..	.09	Sturgeon R. Gold	.79	.82
Gold Eagle	..	.37	Sun Bear	.18½	.20
Gr. Bear Lake M.	.65	.68	Thom.-Cadillac	.01½	.02½
Greenlaw	.05	.06	Wells L. Lac	..	.09
Hardrock Un.	48.00	52.00	Wingold	.09	.10
Hardrock	.48	.51	Wendigo	.17	.20
			Young David	.14	.16

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from June 28 to July 6)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close July 6
..	..	Adanac	3,000	.15	.15	.15
..	..	El Bonanza	1,000	.15½	.15½	.15½
..	..	Forty-Four	100	9.25	9.25	9.25
..	..	Gold Lake	4,100	.28	.26	.27
..	..	Island Lake	3,000	.04½	.04	.04
..	..	Knee Lake	2,500	.35½	.35½	.35½
..	..	Oxford Mines	75	1.50	1.35	1.35
..	..	Oro Grande	500	.05	.05	.05
..	..	Rice Lake Shs.	2,000	.03	.03	.03
..	..	Wingold	6,700	.11	.09	.09½
1	7.1	United Grain	44	14.00	14.00	14.00
..	..	West. Breweries	150	2.00	2.00	2.00

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Northern Trust	..	9.50
Beaver Lumber, c.	..	3	Rel. Grain, pfd.	..	74
Do., pref.	69	..	West. Grain, pfd.	8.00	..
City Dairy A	..	10	Can. Amer. Trust	2.70	3.00
Federal Grain	..	1	Can. Inv. Fund	3.70	..
Do., pfd.	..	28	Fundamental A	4.60	5.10
Home Investment	25	..	Series B	4.40	..
Monarch L. 10% pd.	..	20	Grouped Inc.	..	4.60

*Stocks more active on other exchanges not included.

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

July 9, 1935

	Int. Rate	Due	Bid July 9	Asked July 9	Bid July 2
Public Utility Issues:					
‡Avalon Telephone	5½%	1948	99	...	99
Beauharnois L. H. & Pwr.	5½%	1973	89½	92½	89½
Beauharnois Power Corp.	5½%	1973	34	37	34
*Bell Telephone	5%	1955	113	116	113
*Bell Telephone	5%	1957	115½	118½	116½
†B. C. Power	5%	1960	96½	99½	97½
†B. C. Power	5½%	1960	99½	102½	99½
†B. C. Telephone	5%	1960	104½	107½	104½
†Calgary Power	5%	1960	97½	100½	97½
Calgary Power	5%	1964	96	99	95½
†Canada Northern Power	5%	1953	102	104½	100½
†Cedars Rapids Mfg. & Pwr.	5%	1953	110½	113½	110½
Dominion Gas & Electric	6½%	1945	76½	79½	77
§Duke-Price Power	6%	1966	103½	106	104
*Gatineau Power	5%	1956	88	91	87½
*Gatineau Power	6%A	1941	72½	75	73
*Gatineau Power	6%B	1941	71½	74	72
*Internat'l. Hydro-Electric	6%	1944	47	50	38
†Maclaren-Quebec Power	5½%	1961	69	72	73½
Maclaren-Quebec Power	5½%	1964	68	71	72½
*Manitoba Power	5½%	1951	52½	55½	50
†Montreal Island Power	5½%	1957	102½	105½	102½
†Montreal L. H. & Pwr.	5%	1951	106	108½	106
†Montreal L. H. & Pwr.	5%	1970	107	Called	106
†Montreal Public Service	5%	1942	105½	...	105½
†Montreal Tramways	5%	1955	80	83	79
†Montreal Tramways	4½%	1955	75	78	75
†Montreal Tramways	5%	1941	99½	102½	99½
National Light & Power	6%	1949	89½	92½	89
†N. S. Light & Power	5%	1958	101½	104½	101½
†Ottawa Lt., Heat & Pwr.	5%	1957	104	106½	103½
†Ottawa Valley Power	5½%	1970	91½	94½	91½
†Power Corp.	4½%	1950	83	86	82½
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104½	107½	104
†Shawinigan Water & Pwr.	4½%	1970	97	100	98½
†Shawinigan Water & Pwr.	5%	1970	102½	105½	102
†Southern Canada Power	5%	1955	103	106	103
†United Securities	5½%	1952	79	82	77½
†West Kootenay Power	5%	1956	105½	108	105½
†Western Power Co.	5%	1949	104½	107½	104½
*Winnipeg Electric	5%	1935	98	100½	98
*Winnipeg Electric	6%	1954	52½	55½	52½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	27½	30½	28
†Acadia Sugar	6%	1946	103	106	103
†Alberta Pacific Grain	6%	1946	86	89	86½
‡Asbestos Corp.	5%	1942	70½	...	69½
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105	107½	105
British American Oil	4%	1945	99	102	99
Burns & Co.	5½%	1948	46½	49½	46½
Canada Bread	6%	1941	104	107	103½
†Canada Cement	5½%	1947	103	106	103
†Canada Paper	6%	1945	100	103	100
‡Canada Steamship	5%	1943	99	...	98½
Canada Steamship	6%	1941	39½	42½	37
†Canadian Canners	6%	1950	105	107½	104½
Canadian Cons. Felt	6%	1940	100	...	100
†Canadian Copper Refiners	6%	1945	■105½	...	105
Can. Goodrich	7%	1943	100	...	100
*Canadian Internat'l. Paper	6%	1949	65½	68½	65
C. P. R.	6%	1942	108	110½	108½
C. P. R.	4½%	1944	96	99	96½
*C. P. R.	5%	1954	105½	108½	105
C.P.R.	4%	1949	95	98	95
▲C. P. R. Perp. Debs.	4%	....	87½	90½	87½
Can. Rail & H. Term.	6½%	1951	23	26	22
†Canadian Vickers	6%	1947	71½	74½	70
Consolidated Paper	5½%	1961	12½	15	13
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	109	...	109
†Dominion Tar	6%	1949	97½	100½	97½
Dom. Wool. & W. (with stock)	6%	1948	14	17	14½
†Eastern Dairies	6%	1949	85½	88½	85½
Eaton T. Realty	5%	1949	101½	103½	101½
†Famous Players	6%	1948	101½	103½	101½
†Famous Players	6½%	1948	92½	95½	93½
†Federal Grain	6%	1949	91	93½	91½
†General Steel Wares	6%	1952	91½	94½	91½
Great Lakes Paper	6%	1950	33	36	35
†Gypsum, Lime & Alabast.	5½%	1948	82½	85½	82
Hamilton Cottons	5½%	1948	101	104	101½
*Hamilton By-Prod. Coke	7%	1943	101½	104	101½
*Hinde & Dauch	5½%	1948	101½	104	101½
†Internat'l. P. & P., Nfld.	5%	1968	99½	102½	98
Kingston Elevator Co.	6%	1950	83	86	85
Lake St. John Pwr. & Pap.	6½%	1947	56	60	60
†London Can. Invest.	4½%	1948	75½	78½	75½
London Realty	6%	1950	88	...	88
†Massey-Harris	5%	1947	80	83	80½
McColl-Frontenac	6%	1949	104½	107	104½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	13	16	13
*Montreal Coke	5½%	1947	103½	106	103½
‡Montreal Cottons	5%	1947	99½	...	99½
National Grocers	6%	1948	105½	108	105½
Northern Ont. Bldg.	6½%	1939	96	99	96½
†Penmans	5½%	1951	109½	...	109
Price Bros., C.O.D.	6%	1943	...	92	89
*Provincial Paper	5½%	1947	100½	103	100½
Queen's Hotel	6%	1947	81½	84	81
*Reliance Grain	6%	1948	98	100½	97½
Richmond Bay Bldg.	6½%	1947	93½	96½	93½
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	102½	105½	102½
Ruddy & Co., E. L.	6½%	1948	87	90	87
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	101½	104½	101
†Smith, Howard	5½%	1953	103	105½	103
‡Steel Co. of Canada	6%	1940	111	114	111½
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	95	99	95
United Grain Growers	5%	1948	89	92	88
United Grain Growers	5½%	1949	93½	96½	94
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104
Western Grain	6%	1949	66½	69½	65
Woods Mfg.	6%	1943	100½	...	100½
Zimmerknit Mfg. Co.	6%	1951	98	101	98

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y. ■Called Aug. 15.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 9, 1935

	Bid	Asked		Bid	Asked
Industrial Stocks:			**Insurance Stocks: (Continued)**		
Acadia Sugar, c.	2.75	...	Can. Ins. Sh. com.	10.50	12.50
Do., pfd.	4.75	5.10	Confed. L. 20% pd.	123.00	126.00
Acme F. Dairy	40.00	45.00	Cont. L. 20% pd.	35.00	40.00
Allens Beach pfd.	54.50	...	Crown Life	105.00%	
Allens Tor. pfd. bonus com.	25.00	28.00	Dominion Fire	103.50	...
Alum. Ltd.	22.00	24.00	Dom. Life 50% pd.	255.00	300.00
Andian National	47.00	48.50	Dom. of Can. Gen.	...	92.00
Atlantic Sugar p.	105.00	107.00	Emp. L. (2½% pd.	3.00	5.00
B. C. Pulp pfd.	10.00	13.00	Excel. L. 30% pd.	73.00	80.00
Burns, A	2.25	3.50	Fed. Fire 25% pd.	35.50	39.00
Do., B	1.50	3.00	Fidelity of Can.	...	49.00
Can. Paper pfd.	61.00	...	Gt.-West Life	395.00	410.00
Can. Starch com.	12.50	...	Guar. of N.A.	240.00	...
Do., pfd.	82.00	...	Imperial Life	304.00	...
Can. W. & C. p.	54.00	58.00	Manufac. Life	238.00	243.00
Can. Indus. A	187.00	...	Mon. L. 10% pd.	18.00	20.50
Do., B	187.00	192.00	Nat. Life 25% pd.	52.50	56.00
Do., pfd.	158.00	162.00	Sover. L. 25% pd.	15.00	18.00
Can. Paper. p. bon.	4.00	6.00	Sun Life	395.00	415.00
Can. Tube 1st p.	27.00	...	Tor. General	4.25	5.00
Can. Westing.	45.50	46.50	West. Assur. c.	36.00	39.00
Chase, pfd. bonus	24.00	26.00	Do., pfd.	37.50	41.00
Claude N. Ad. U.	2.50	3.50	W. E. L. 20% pd.	...	8.50
Copland Brew.	1.00	2.00	**Trust & Loan Stocks:**		
Copeland Fl. U.	4.00	6.00	Chartered Trust	73.00	77.00
Dom. F. & St. c. (New)	17.50	21.00	London & W. Tr.	32.50	36.00
Do., pfd.	115.00	125.00	Premier Trust	87.00	92.00
Dom. Manu. pfd.	65.00	...	Sterling Trust	30.00	35.00
Dom. Woollens c.	.60	1.10	Traders F. B pfd.	62.50	...
Dunlop Tire pfd.	66.00	70.00	Do., com.	.70	...
East. Dairies pfd.	12.50	15.00	Trusts & Guar.	...	35.00
Edm. C. Dairy p.	48.00	...	Victoria Trust	120.00	126.00
Fed. Grain com.	.75	1.75	Waterloo Trust	98.00	...
Do., pfd.	26.00	28.00	Sherbrooke Tr.	110.00	...
Gen. St. Wares p.	42.50	45.00	**Investment Trust Shares:**		
Goderich Ele.	4.50	5.25	Can. Gen. Invest.	6.10	6.35
Green. Wire pfd.	100.00	104.00	Can. Investors	5.55	6.25
Guelph Carpet p.	95.50	98.00	Can. Int. Inv. Tr. Units	26.00	28.50
Do., com.	13.50	15.50	Can. Invest. Fund	3.25	3.70
Hayes Wheels pfd.	...	9.50	Cons. Div. St. Sec. Units	10.50	12.23
Highl. Dairy com.	3.30	4.00	Deb. & Sec. pfd.	23.00	26.00
Highl. Dairy pfd.	79.00	...	Dom. & Ang. Inv.	190.00	...
Huether Brew. p.	2.50	3.50	Dom. Scott. In. U.	21.00	24.00
Inter C. Bak. c.	17.00	19.50	For. Power Sec. p.	...	10.50
Inter. Met Ind. A pfd.	35.00	41.00	Invest. Found. U.	38.50	41.00
Inter. Paints pfd.	19.00	21.00	Sec. Holding U.	10.75	12.50
Loew's London	2.55	3.15	United Corpns. A	14.00	15.00
Mansf. Theat. pfd.	24.00	26.00	Do., B	3.75	4.50
Mercury Mills p.	6.00	10.00	**Power Issues:**		
Morrow Screw p.	95.00	...	Can. W. N. G. p.	96.00	98.00
New Meth. Laund. pfd. bonus	60.50	...	Do., com.	20.00	24.00
Niag. W. Weav.	50.00	55.00	Gt. Lakes Pwr. p.	56.00	64.00
Para. Oshawa pfd.	54.00	...	N. B. Tele. com.	10.50	11.25
Perf. Pet. pfd.	15.00	19.50	N. S. L&P com.	47.00	50.00
Prov. Paper pfd.	93.00	95.00	N. S. L&P pfd.	95.50	97.00
Rel. Grain pfd.	68.50	72.00	**Recent London Quotations:**		
Rob. Cons. Cone	8.00	8.75	Brit. Col. Tele., pfd.	$105	
Rolland Paper p.	84.00	88.50	Brew. & Distillers	2s. 9d.	
Ruddy, pfd.	23.50	...	Canada Company	7s. 6d.	
Std. Fuel pfd. bon.	101.00	103.50	Can. & For. Secs.	4s.	
Supert. Pet. B p.	25.50	27.50	Can. Collier. $1 com.	11d.	
Tor. Carpet pfd.	30.00	...	Do., pref. $10	41d.	
United Amuse. B	10.00	12.00	Can. N. W. Land	15s.	
Do., A	11.00	13.00	Can. West. Lumber	10½d.	
Unit. Steel A p.	3.00	4.00	Hudson's Bay	18s. 3d.	
West. Gr. p. bon.	9.50	11.00	Do., pref.	92s. 6d.	
Insurance Stocks:			Imp. Tob. (Canada) 6% pfd.	27s. 6d.	
British America	36.00	...	Third Can. Gen. Inv.	6s. 6d.	
Canada Life	448.00	456.00			
Canadian Fire	72.50	80.00			

Listed Bond Quotations

Week Ending July 8, 1935

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Low
Mtl. L. H. & P. Debs	3	1939	3.43	48½	48½	48½	49½	48
McNish	6	1948	—	—	3.30	—	4.00	3.30

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Position Vacant

EXPERIENCED REPORTER or financial writer wanted for responsible work on important weekly paper. Must be high grade man, intelligent and studious, capable of getting to the story behind the story. Preferably college man not over 40. Box 140, The Financial Post, Toronto, Can.

DIVIDEND NOTICES

San Antonio Gold Mines Limited

Interim Dividend No. 3

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable August 1st, 1935, to shareholders of record at the close of business on the 15th day of July, 1935.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg, June 27, 1935.

Penmans Limited

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1935.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 22nd day of July, 1935.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1935.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, June 26, 1935.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending June 30th, 1935, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Friday, the 5th day of July, 1935, at 4 o'clock p.m. and payable on Monday, the 15th day of July, 1935.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, June 25th, 1935.

BUYWELL FOOD MARKETS LIMITED

Preferred Dividend Notice

NOTICE is hereby given that a Dividend of Seven Per Cent (7%) has been declared on the Seven Per Cent (7%) Preferred Stock of the Company for the year ending June 15th, 1935, payable July 15th, 1935, to shareholders of record at the close of business on June 14th, 1935.

By Order of the Board,

S. L. MAGID,
Secretary.

Montreal, July 3rd., 1935.

Old Canada Investment Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 5% on the Preferred stock, and 6% on the Class "A" common stock of Old Canada Investment Company Limited has been declared, payable August 5, 1935, to shareholders of record July 31, 1935.

By order of the Board,

A. H. McKENZIE,
Secretary.

Oshawa, Ontario.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 37

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable July 1, 1935, to shareholders of record June 15, 1935.

F. J. MAW,
Secretary.

Hamilton, Ont., June 15, 1935.

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 30

Notice is hereby given that the quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending July 31st, 1935, payable August 1st, 1935, to Shareholders of record at the close of business on July 19th, 1935.

By Order of the Board.

T. C. LUKE,
Secretary.

Midland, Ontario, July 4th, 1935.

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 41

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c., per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending July 31st, 1935, payable August 15th, 1935, to shareholders of record at the close of business on July 31st, 1935.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, June 28th, 1935.

Speculation Runs Rife Grain Board Personnel

McFarland, Ramsay and Big Grain Dealers Mentioned

From Our Own Correspondent

WINNIPEG.—Who will be on the new Grain Board? This is the most frequent question heard throughout the West today. Stories are in circulation which associate the names of almost every prominent grain man with the new Board.

Some claim that the personnel would not be determined until after the election. This is based on the theory that the incoming government will have to assume a large measure of responsibility for the new board's actions.

McFarland

Joined with this is a suggestion that as a temporary measure John I. McFarland and two of his associates in the Pool Central Selling Agency might assume temporary office.

It was formerly assumed that Mr. McFarland did not desire to continue as government representative much longer, but due to his close association with Premier Bennett would do so until after the election. His present illness however, the criticism to which some of his operations have been subjected, and the fact that the new Board is required by Parliament to undertake a line of policy different from that which he has followed, are believed to preclude Mr. McFarland.

Ramsay

E. B. Ramsay, Chairman of the Board of Grain Commissioners, has been mentioned. He would undoubtedly be generally acceptable. But there is a strong feeling that the Board of Grain Commissioners should not be weakened at this moment when it is facing a most difficult year in connection with grading.

Of the various grain dealers mentioned some have large personal business interests that they would find it difficult to turn over to others, while some have obligations to shareholders and institutions.

But there is a general desire that the Board should be appointed and should get to work promptly. It is felt that the Canadian wheat trade must be more or less stagnant until this is done.

GRAIN BUSINESS HALTS TILL GOVERNMENT PLAN TRANSFORMED TO ACTION

(Continued from page 1)

under one government and carried out under another. A fairly high minimum price would probably, through psychological factors, tend to become a maximum, while a fairly low one, not approximating the hoped for value of the crop, might give a better chance for favorable market factors to exercise an influence.

Carry-over Wheat

The board's selling policy with respect to carryover wheat will be important. If it attempts rapid sale it may so clog the outlets for Canadian wheat that it will have to absorb large quantities, and perhaps all of the new crop. It appears fortunate that the Senate deleted the instructions that sale of existing wheat be made "as early as possible." That change gives some measure of flexibility to operations.

Futures

Whether sufficient flexibility has been allowed in connection with the futures contracts to be taken over from Canadian Co-operative Wheat Producers Ltd. appears to be in doubt. Only a small part of the existing futures contracts, now carried in the August delivery, can be satisfied by delivery of actual grain in terms of the contracts. The limitations on the board's power to buy wheat, providing it must be done only from farmers and outside of the futures market were evidently intended to apply to dealings in new crop wheat.

But when the Act comes to be applied it may be found that the Board lacks power either to switch existing contracts to forward futures months, or to take over actual wheat except as it can be delivered on existing futures contracts. Should that be found to be the case additional powers would have to be obtained from Parliament at the next session, while in the interval some operations would have to be continued in the name of Canadian Co-operative Wheat Producers Ltd.

Farmers' Position

Farmers may, if they choose, use the new Board as a pooling organization. They can deliver their wheat to the board, even when the market price is higher than the minimum price offered, expecting that the board will later, when it has completed its selling, pay them enough on participation certficates issued at time of delivery, to make it worth while.

Will they do so?

Probably not to any important extent; quite possibly not at all. That is, of course, when the market will give a higher immediate payment for outright sale than the minimum initial price of the board. Participation certificates are not popular with the majority of Western farmers after their past experiences. The fact, too, that those to be issued are to be non-negotiable will not make them any more popular.

Elevator Control Unlikely

One possible development is unlikely. That is proclamation of those sections of the Act which, when made effective, would create a government monopoly of grain buying through taking control of all the elevators. For one reason it would be unnecessary, as the new Board can obtain control of all the wheat of a new crop by fixing a price for it in excess of what the market will pay. The other is the strong probability that the sections in question are unconstitutional.

True, grain elevators have been declared by law to be work for the general advantage of Canada. Under that decelaration Parliament has claimed the right to regulate their operation as storage facilities. But it has never before claimed jurisdiction over their buying and selling operations. To successfully claim that right of regulation is a far different thing from extending Parliamentary power through the new act to say that elevator owners may only operate them as agents for a government board.

Belding-Corticelli

DIVIDEND No. 83

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 14th day of September to Shareholders of record at the close of business the 31st day of August, 1935.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Judicial Sale

of

the Property, Assets and Undertaking

of

GREAT LAKES PAPER COMPANY, LIMITED

In the Supreme Court of Ontario between: National Trust Company, Limited, Plaintiff, and Great Lakes Paper Company, Limited, Defendant.

Pursuant to Order of the Honourable Mr. Justice Middleton dated the 26th day of June, 1935, offers will be received by National Trust Company, Limited, Receiver and Manager of Great Lakes Paper Company, Limited, (hereinafter called "the Company") up to 12 o'clock noon (Daylight Saving Time) of the 10th day of September, 1935, for the purchase of all the right, title and interest of National Trust Company, Limited, as Trustee under a Deed of Trust and Mortgage, dated 1st March, 1928, made by the Company in favour of National Trust Company, Limited, as Trustee, to secure an issue of First Mortgage Gold Bonds of the Company, of which there have been issued and are presently outstanding First Mortgage Gold Bonds, Series "A," to an aggregate principal amount of $10,000,000, and as Receiver and Manager appointed by the Court in this action, in the property, assets and undertaking of the Company as a going concern described in and covered by said Deed of Trust and Mortgage. Without limiting or varying the foregoing description the properties include a modern ground wood sulphite and newsprint mill completed in 1929, equipped with 2 newsprint machines, one of which is 304 inches in width, being the largest of its kind in North America, and the other is 264 inches in width, giving the mill an approximate annual production of 100,000 tons of newsprint. The mill is located near the City of Fort William, in the Province of Ontario, on the Kaministiquia River, and has a dock, conveyer, storage warehouse and coal handling equipment, which permit the shipment of its products and the delivery of coal and other supplies by water. It has not been necessary for the Receiver and Manager to issue any Receiver's Certificates or borrow any money, and the net liquid assets in its hands amount to approximately $1,000,000, consisting of cash inventories of pulpwood, and supplies and accounts receivable. The premises mortgaged by the said Deed of Trust and mortgage as and by way of a floating charge include all the property and assets present and future of the Company (other than the specifically mortgaged premises) and include its undertaking, goodwill, tolls, rents, incomes, moneys, rights, powers and privileges.

Under the Judicature Amendment Act, 1935, of the Province of Ontario, a sale may be made for a consideration wholly or in part other than cash if sanctioned and approved by the holders of the said Bonds at a meeting to be called and held under the direction of the Court.

The Supreme Court of Ontario has directed that a meeting of the holders of the said Bonds of the Company be held on the 20th day of September, 1935, at the King Edward Hotel, in the City of Toronto, Ontario, at the hour of 11.00 a.m. (Daylight Saving Time), for the purpose of considering offers to purchase.

Offers received by the undersigned up to said 10th September, 1935, will be submitted to the said Meeting of Bondholders and will be considered and dealt with at such Meeting on the said 20th day of September, 1935, or at any adjournment thereof unless otherwise stipulated in the offer. Other offers to purchase may also be submitted to the Meeting or any adjournment thereof but cannot be considered except at an adjournment held not less than eight days after the conclusion of the previous sitting. If any offer to purchase is approved by the holders of said Bonds at such Meeting or any adjournment thereof, such offer will thereupon be submitted to the Court for its approval, and if such approval be given, the Court may order the transfer to and vesting in the purchaser or his or its assigns, of the mortgaged premises so purchased, all as provided in the said Statute.

Full particulars of the property, assets and undertaking comprising the mortgaged premises and information as to matters which should be provided for in any offers to be submitted may be obtained on application to the undersigned.

DATED at Toronto this 8th day of July, 1935.

NATIONAL TRUST COMPANY, LIMITED,
20 King Street East, Toronto,
Receiver and Manager.

Wheat

Crops and Scares

WINNIPEG.—Last week's declines in wheat prices were largely blamed on Canadian Grain Board legislation. Fears were expressed that the new government agency would soon be attempting forced liquidation of accumulated stocks. It is doubtful if much credit is to be given to that explanation.

Much more important was the continued good prospects for the North American spring wheat crop. A rust scare had shot prices up on the United States market the week before, but it had been followed by the publication of various estimates which predicted for that country this year a total wheat production of 700,000,000 bushels, or some small surplus over a year's requirements.

Rust may yet do a tremendous amount of damage, and cut that estimate by 100,000,000 bushels.

Accounts of the progress of the spring wheat crop in Canada and in the northern United States are the more enthusiastic in tone because of the tremendous contrast between today's conditions and those of last year.

* * *

Market Stagnant

IN THE meantime business in Canadian wheat is more stagnant than ever. The Winnipeg market has rested on the 80 cent pegs for July and August, and the only person able to sell wheat has in consequence been the western farmer, as the government agency has continued to absorb the hedges against farmers' wheat delivered. Farmers quite realize their advantageous position in this respect, and are making every effort to get their bins swept clean and old wheat delivered before there is a change in conditions. Western farm stocks are likely to be at a lower level than ever before at the close of the current crop year.

Overseas buyers, until they can find out what the new Canadian grain policy is likely to be, are more reluctant than ever to make commitments, while in the meantime both France and Argentine are pressing disposal of their remaining stocks before new conditions become effective.

* * *

Freight Rates

THE government agency is believed to be carrying on a struggle with the steamship owners on the Great Lakes. The latter are trying to hold out for a six cent freight rate to Montreal. They argue that if practically no grain is moving east now the requirements for vessel space will be all the greater before long. The government agency has been willing to buy only distress freight, of which a small quantity has been available, at 4 cents a bushel. Practically all of the wheat at the head of the lakes belongs to the government agency. Practically no forwarders are willing to buy it and run the risk of moving it to eastern positions. Likewise the exporters at Vancouver are unwilling to put stocks of grain afloat in the accustomed manner.

* * *

North Africa

A DEFINITELY smaller crop for Algeria this year indicates lower yields throughout the whole of north Africa. It is from this general area that much of the wheat supply for Italy and France is imported. The Algerian crop is estimated at slightly under 33 million bushels as compared with over 43 million a year ago.

* * *

Argentine Corn

The 1935 Argentine corn crop is by far the largest on record. According to the Ministry of Agriculture this is estimated at over 450 million bushels, or 75 per cent more than a year ago and nearly 50 per cent above the five year average.

The exportable surplus amounts to almost 400 millions of bushels of which about 75 millions have already been exported. Carryover from the 1934 crops was about half a million bushels. Since the present Canadian duty of 25 cents a bushel on non-Empire produced corn was put into effect a few years ago, Argentine corn has ranked about equally with that from United States in Canadian imports. About the only important Empire corn country is South Africa but there, in recent years, the crop has fluctuated widely from a fair exportable surplus to none at all.

Sask. Gets Federal Loan Payment Relief Account

Saskatchewan received last week a loan of $765,000 from the federal government for relief purposes. According to Premier J. G. Gardiner this will mean that most provincial relief accounts will be paid up to the end of April.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William, July 5	75,624,300	73,708,150	56,547,200
Country elevators, June 28	61,913,597	64,272,865	76,195,217
Total all points, June 28	196,046,604	197,183,971	188,453,985
World Shipments, incl. flour: July 5:			
North American	1,780,000	3,000,000	4,541,000
Argentine	3,161,000	3,121,000	3,738,000
Australian	437,000	2,022,000	....
Black Sea*	328,000	746,000	64,000
Total, world	9,608,000	7,877,000	10,705,000
Visible Stock: July 2:			
Canadian	122,071,000	119,797,000	101,844,000
United States	22,497,000	24,128,000	77,820,000
Argentine	14,329,000	14,329,000	20,574,000
Country Marketings and Exports:†			
Canadian exports, June 28	1,795,533	1,942,486	3,414,354
Cum. to June 28 (48 weeks)	111,283,219	109,467,486	143,396,143
Country marketings, June 28	1,704,259	2,701,000	2,651,264
Cum. to June 21 (47 weeks)	215,981,877	211,807,248	216,475,339
Country deliveries, July 5‡	2,311,000	2,102,000	2,190,000
Country loadings, July 5‡	5,295,000	5,750,000	8,184,000

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to July 9, 1935

Crop year from Aug. 1, 1934 High	Low		Open July 3	High for week	Low for week	Close July 9
		Wheat				
.91⅛	.80	July	.81⅞	.82⅝	.80	.80¼
.84⅞	.80	Aug.	.82⅞	.83½	.80	.81
		Oats				
.45⅞	.35⅛	July	.42¾	.44¼	.41½	.43⅞
.47⅞	.29⅝	Oct.	.34⅝	.34⅞	.29⅝	.32⅝
		Barley				
.60½	.33⅛	July	.36	.36¾	.33⅛	.36⅝
.48⅞	.31⅝	Oct.	.36¾	.37⅝	.31⅝	.35¾
		Flax				
1.49⅛	1.14½	July	....	1.22	1.15⅛	1.22
1.41¼	1.15	Oct.	1.18	1.20¼	1.15	1.20¼
		Rye				
.66⅝	.31½	July	.38	.38¾	.31⅛	.37⅛
.56⅝	.33¾	Oct.	.41	.41⅝	.33¾	.39¾

CORNER IN OATS TYING UP TRADE HEAD OF LAKES

Government Agency is Blamed — Affecting July Option Only

From Our Own Correspondent

WINNIPEG. — One of the minor but annoying difficulties of the grain trade at the moment is a cornered situation in July oats. It is the practically universal belief that this corner is being operated by the government agency but whether on its own account, or that of the Saskatchewan Government, is uncertain.

Earlier in the year the Saskatchewan government, on account of requirements for seed oats, made an arrangement whereby futures in oats were to be purchased. Under protection of such hedging it expected subsequently to purchase oats from elevator companies, which would ship directly from country points to the drought areas.

Naturally as the actual oats were delivered the hedging contracts were lifted on behalf of the government, and corresponding hedging sales previously made by the elevator companies when they bought the oats were also lifted.

A special order in council was passed by the government at Ottawa empowering the banks to advance money to Canadian Co-operative Wheat Producers, which had been employed as the government wheat stabilization agency, in connection with this transaction on behalf of the government. It is not clear why there should be any residual commitments in the oats futures market on behalf of the Saskatchewan government, unless futures were bought to a greater extent than the seed oats actually obtained.

The "long" interest in the oat market is balanced by "short" interest of equivalent extent, mainly on the elevator companies. These have varying quantities of oats of different grades scattered in different elevators, in quantities anywhere from a hundred bushels to several thousand. These they are now trying desperately to get to the head of the lakes, paying excess freight on light carloads, bulkheading part car-load shipments, or trying to buy up additional oats from farmers to make up carloads, in order to get the oats in position to deliver on the July contracts. Milling companies who hold oats at various mills hedged in the option market cannot switch their hedges forward to October without a loss of 12 cents a bushel or so. There is a considerable volume of oats in store at the head of the lakes, which is not moving forward because of the artificially high price the present situation gives them, some 14 cents above the value of October oats. That artificial value presumably will disappear as soon as the current option month has expired.

WHEAT MARKET REMAINS NOMINAL WAITS BOARD LEAD

Only Very Bad Crop News Could Start Action Now

From Our Own Correspondent

WINNIPEG. — Present world wheat market conditions offer a strong contrast to those of the past two years in July. Then there was a strong bull market, based on crop estimates which later turned out to be incorrect. In each of the preceding years the bull market was assisted by heavy buying on the part of the Canadian government agency.

Prospects Reversed

This July opened with prospects of production very much better in the spring wheat areas of North America. The Canadian government agency was no longer capable of exercising any upward influence since it had already accounted for the total supply of Canadian wheat. Instead it has been an element of market weakness because of the obvious necessity of its liquidating some of its stocks before the new crop. Liverpool and London dispatches indicate nerves.

Damage Possible

A great deal of crop damage both in Europe and in North America is likely to be reported during the weeks just ahead. In addition it may be expected that the new Canadian grain board when it is appointed will indicate that it has no intention of attempting immediate liquidation of hold-over stocks. It may be that the total harm from the bearish sentiment prevailing during the past week will do no more total harm than the bullish sentiment of the two preceding Julys.

For the moment, however, the Canadian grain trade is more completely tied up than has been the case for many months past. The peg still remains by government command in the Winnipeg market at a level considerably above that at which any wheat may be sold. Winnipeg prices must be regarded as purely nominal until a new board is appointed and its action determined.

The greatest possibilities of immediate strengthening of the present situation lie in the United States. Should it become clear that that country is not going to produce enough wheat to give it an export surplus, which may happen with rust or other adverse conditions, markets there may possibly give a lead to other parts of the world.

Another important possibility is that of a wet harvest in Europe. During recent years conditions in importing countries have been favorable to the harvesting of heavy crops.

Any increase in precipitation, such as has improved conditions in North America, might very much impair general European prospects.

Butter and Eggs are Added to Commodity Exchange

From Our Own Correspondent

MONTREAL. — Canadian Commodity Exchange announce the allotment of 21 new memberships, representing the first seats of the produce industry section, for which trading is to be inaugurated in butter, eggs and cheese.

K. H. Olive, vice-president of Olive & Dorion, has been elected chairman of the provisional produce section committee. Committees were formed on membership, by-laws and warehousing.

A. A. McKergow, of A. A. Ayer Co., has been elected chairman of the membership committee. Other members of this board are: J. H. Olive, H. T. Chisholm, John Freeman, and T. J. Coyle.

A. D. Descary, Montreal, has been elected chairman of the warehousing committee which is composed of the following members: W. G. Lasher, J. H. Cregan, H. G. Moore and R. A. Nothstein.

T. W. Grieve, Montreal, was elected chairman of the committee on by-laws. Other members of this group will be: W. D. Reid; T. Hodge; A. S. Beaubien; and J. B. Weir.

The new members of the produce section of the Commodity Exchange were elected from applications received prior to June 26, and others are pending at the present time. They are representative of the trade from Nova Scotia to Alberta. Operators in Montreal, Ottawa, Toronto, Winnipeg, Calgary and New Glasgow, are shown on the preliminary list of members.

DOMINION MOTORS REVALUES ASSETS

Advances to Leaside Investments, Ltd., Reduced to Nominal Figure

The annual statement of Dominion Motors, Ltd., as at March 31, 1935, is featured by a revaluation of fixed assets and by the reduction of the amount of advances to Leaside Investments, Ltd., to a nominal figure. As revalued by directors of the company on June 13 of this year, fixed assets stand at $719,330, compared with a book value, less reserves, of $1,495,611 a year ago. It is pointed out by James A. Brand, president, that immediately equipment is placed for sale, the value may range anywhere from scrap value to the price obtainable for second-hand equipment. Consequently, real estate, buildings and equipment have been reduced to what is considered a fair resale valuation at current prices.

Writing off the first mortgage debenture which the company holds as security for advances to Leaside Investments Ltd., from $1,241,569 to $1 was occasioned by the fact that the securities which form the assets of that company are of undeterminable value.

As a result of these changes, deficit account was increased from $770,625 in 1934 to $2,675,124. Secured bank advances were reduced during the year by $153,578 to $541,300. Earnings for the year ended March 31, 1935, will be found on page 15.

A number of leases have been completed for space in the Leaside factory, resulting in all but about 115,000 feet being rented.

Exiled Canadians Market for Digest

For 200,000 ex-Canadians living on the American Pacific Coast there has appeared the first number of what is planned as a monthly magazine, "The Canadian Digest." In pocket size, the Digest briefs all recent Canadian news, does it interestingly and well.

George O. Wheeler, of Bell, California, is editor and publisher.

C. J. Hodgson and Co. Issues Statistical Review

From Our Own Correspondent

MONTREAL.—C. J. Hodgson & Co. of Montreal, members of the Montreal Stock Exchange and other markets, have brought out their eighth edition of the half-yearly Statistical Review of Canadian Securities. This booklet shows in condensed form information pertaining to the more active listed securities, giving details of capitalization, dividends, earnings, price range, working capital and ratio, etc. Copies of the booklet are to be had on request to the Hodgson firm.

Wheat Prices

(Cash Quotations)

	Aver. for week June 29 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.814	0.823
No. 1 Northern	0.814	0.823
No. 2 Northern	0.783	0.793
No. 3 Northern	0.733	0.743
No. 4 Northern	0.661	0.678
No. 5 Wheat	0.596	0.613
No. 6 Wheat	0.577	0.598
Feed Wheat	0.556	0.568
At Vancouver:		
No. 1 Northern	0.793	0.820
At Toronto:		
Milling Wheat	0.700	0.700

Competitive Export Prices: (July) shipment:

	High Week to July 5 $	Low $
No. 1 North. (Vanc.)	0.92	0.89⅞
No. 2 North. (Atlan.)	0.90	0.89
No. 2 North. (Vanc.)	0.86⅝	0.85⅝
Argentine Rosafe	0.71⅞	0.69¾
Do., Barusso	0.71⅛	0.69½
Australian	0.78⅛	0.76¾
West Australian	0.80½	0.79
French	0.65	0.59⅝

Bids Invited to Purchase Great Lakes Paper Assets

Sale of all the properties and assets of Great Lakes Paper Co. has been advertised by National Trust Co., receiver for the property and trustee for the bondholders. Offers for the purchase of the assets should be received not later than Sept. 10 so that they may be presented to the bondholders' meeting to be held on Sept. 20.

An opening is left for further bids which may be made after Sept. 10, but in this event a period of eight days must elapse before they can be considered by bondholders. A sale of the property may be made wholly or in part for consideration other than cash, if approved by bondholders and subsequently ratified by the court.

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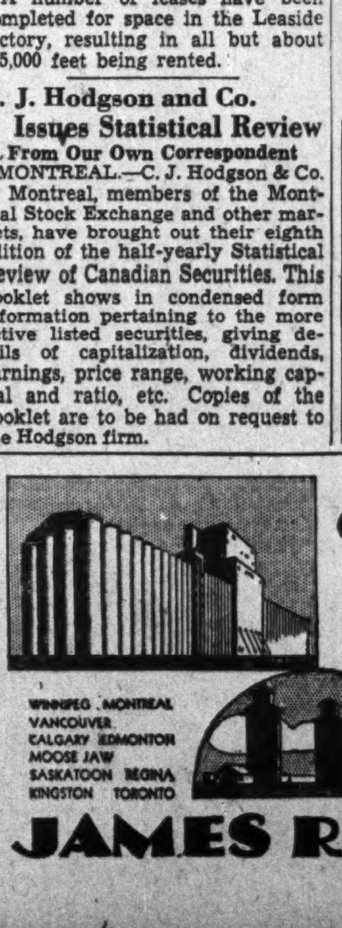

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(Capacity 5,500,000 bushels)
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News of Canadian Mining Investments

The Week in Mining

Mining Corp.'s Board

THERE is much more significance behind the new additions to Mining Corp. board than the daily press, apparently, has recognized.

The addition of Charles McCrea, former minister of mines for Ontario, C. G. McCullagh, partner in the firm of R. P. Barrett & Co. and W. R. P. Parker, K.C. to the board of directors of this company is, of itself, important news, but, The Financial Post understands, the real significance in the story lies in the fact that the new appointments represent the entrance of English capital into Canadian mining in a fairly large way, and the possible entrance of it in a still larger way in the future.

As mentioned in an article in another section, the new English interests behind this venture are represented by Oswald Balfour, nephew of the late Earl Balfour, and member of the firm of Balfour Bordman & Co., important young firm of merchant bankers.

* * *

U. S. to Canada to U. K.

IT IS an unfortunate fact that for many years Canada's chief contribution to the mining sections of the English press have been found in the "Cautionary" columns.

This is due to a number of reasons. Of late, the cause can be found largely in the trend toward tighter securities laws in Canada and the United States. When Roosevelt started tightening up on the Security Laws in U. S. Canada, and particularly Ontario, was swamped by a flock of "high binders," whose presence was felt so strongly last summer. When Ontario, in turn, started making life unpleasant for these gentlemen, many of them transferred their talents to the United Kingdom, which has no Securities Commission, and operates largely on the Honor System. As a result, the English investor has come to look on Canadian mining ventures as on a man with erysipelas.

Mining Corp. already has a large number of English shareholders, and is well regarded in the Old Country. It supplies just the right sort of medium for the introduction of English capital into Canada. While many English investors are already in such companies as Lakeshore, McIntyre Porcupine, Dome, and other established producers, they, like everybody else, want to get in on the ground floor. If Canadian mines do not pay as large a yield as South African mines, the returns to investors who have the courage to buy during the early stages of development and the still greater courage to hang on to their stock, are certainly as great, if not greater, than in the case of South African ventures.

* * *

No Pigs in Pokes

C. G. McCULLAGH, one of the new directors, has returned from England, and, in conversation with The Financial Post, gave an interesting summary of the English point of view as regards Canadian mining.

Investors in the United Kingdom are, on the whole, slightly bitter toward Canadian mining propositions. They have been bitten, many times, in the past, and the current crop of shysters now in London does not improve the situation. Nevertheless, they do not minimize the opportunities for investment and speculation in Canadian mines.

"We believe in Canadian mines," one English capitalist told Mr. McCullagh, "but we do not wish to buy a pig in a poke."

Which summarizes about as neatly as possible the situation. Too many pigs have, when removed from the poke, turned out to be clawing alley cats, and the Englishman, who, after all, has built an Empire on his shrewd trading abilities, wants to glimpse inside the poke before reaching into his pocket.

It may well be that Mining Corp., which is an excellently managed company, is the thin edge of the wedge, and will show coy English capital that the intentions of Canadian Mining are honorable.

* * *

Spaniards Good Miners?

WITH the exploration programme about two-thirds completed, no new ore bodies have been discovered at the Veraguas Mine, McVittie Graham subsidiary, in the Panama district, according to official word.

Apparently the Spaniards, despite their crude equipment, did a good job of mining some 300 years ago.

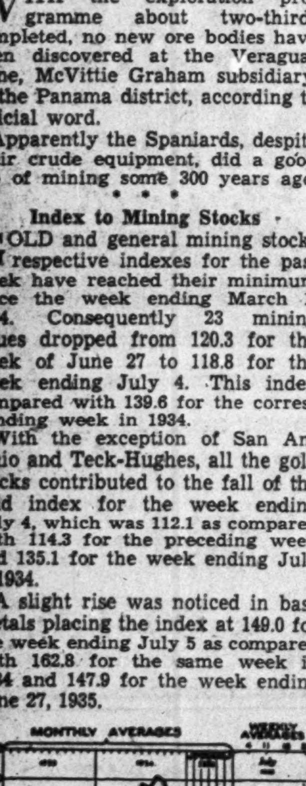
* * *

Index to Mining Stocks

GOLD and general mining stocks respective indexes for the past week have reached their minimum since the week ending March 1, 1934. Consequently 23 mining issues dropped from 120.3 for the week of June 27 to 118.8 for the week ending July 4. This index compared with 139.6 for the corresponding week in 1934.

With the exception of San Antonio and Teck-Hughes, all the gold stocks contributed to the fall of the gold index for the week ending July 4, which was 112.1 as compared with 114.3 for the preceding week and 135.1 for the week ending July 5, 1934.

A slight rise was noticed in base metals placing the index at 149.0 for the week ending July 5 as compared with 162.8 for the same week in 1934 and 147.9 for the week ending June 27, 1935.



PREMIER TO KEEP SEPARATE ENTITY IN AMALGAMATION

Ratification of Merger With B. C. Silver Seen as Foregone Conclusion

From Our Own Correspondent

VANCOUVER.—Latest interpretation of the amalgamation recently ratified between Premier and B.C. Silver is that Premier, for years one of the most famous B.C. mines, will not lose its separate entity, but will continue as a holding company, at least until 1937, and in the meantime will mine and mill its own ore. A new company will be formed to include B.C. Silver. Announcement from New York at press time states that the dividend rate of Premier is not in danger.

Reports published in the daily press gave the impression that Premier would lose its identity, but this, The Financial Post learns from reliable sources, is incorrect.

The new company will, however, mill for account of Premier remaining ore in the present company's ground until June 30, 1937, or such earlier date as may be provided.

In other words, the management believes that by or before the date set it will have cleaned up the tag ends of the great ore body that placed Premier first among all gold-silver mines on the American continent with dividend disbursements since 1921 of over $18,000,000.

The agreement, which was ratified by shareholders of Selukwe Gold Mining Co. on June 24, is to take effect on January 1, 1936 and there is provision for immediate commencement of development of B.C. Silver and Sabakwe ground by the new company.

Sebakwe to Vote

Shareholders of Sebakwe and District Mines will meet to consider ratification in London on Aug. 7 and since Selukwe, which has already ratified the deal, owns 520,533 of 1,354,831 shares of Sebakwe already issued, the result may be taken as a foregone conclusion, so far as the vote is concerned.

Sebakwe is capitalized at £200,000, in 1,500,000 shares of par value of 2s. 6d. and when the company was fomed 335,160 shares were issued to National Silver Mines Ltd. in the ratio of 147 shares of Sebakwe for each 1,000 shares of National Silver, the issued capital at that time being 2,280,000 shares out of the authorized capital of 3,000,000 shares.

National Silver owned the property taken over by Sebakwe, a large share interest in Bush Consolidated Mines, in the ratio of 317 shares of Bush for each 1,000 shares of National Silver, and a group of claims in the Salmon River Valley, adjoining Bush Consolidated and lying between that property and Big Missouri.

Capital of the new company (name not yet announced) will be 3,000,000 shares of $1 par, of which 2,500,000 shares are to be issued for properties and $300,000 cash. Of these, Premier will receive 1,250,000 shares; B.C. Silver 937,156 shares, and Sebakwe 162,844 shares.

SEEKING TO PROVE SEAL HARBOR ORE ON 300-FT. LEVEL

Property in Vanguard of Mining Recovery in Nova Scotia

Considered to be well in the van of current gold mining recovery in Nova Scotia, Seal Harbor Gold Mine, in the Stormont Gold District, has completed its main shaft to a depth of 300 ft. and is now engaged in drifting and cross-cutting to intersect the downward extension of the known ore body, intersected on the 100 ft. level, F. McQueen, treasurer of the company, stated recently in conversation with The Financial Post. At the present time, a crew of 60 men are employed at the property and the payroll approximates $1,000 per week. Other expenses, for exploration, testing, and development amount to about $1,000 per week. When the ore is intersected at the 300 ft. level, preparations will be made to install a new mill, capacity not definitely decided upon but probably not less than 200 tons per day. At the present time, the company is using a 25 ton stamp mill chiefly for testing purposes.

It has been estimated by W. M. Goodwin, an engineer appointed to examine the property by Irving Brennan and Co., that assuming the ore bodies already proved on the 100 ft. level extend with similar sizes and values to the 300 ft. level, that about 87,000 tons of ore with an average value of about $7.50 per ton may be expected from this one section of the property alone. This same engineer estimated that mining and milling cost per ton on the basis of a 150 or 200 ton mill would amount to about $2.50 per ton. Cost of shaft sinking, due to the softer nature of the rock, and the prevalence of slate, amounts to only about $25 to $35 per foot, which is about half similar costs in Ontario. Drifting and cross-cutting costs per ft. are on a similar basis. As a result of Mr. Goodwin's examinations the company was successful in optioning a block of 300,000 shares to Irving Brennan & Co. of St. John, N.B.

Seal Harbor has an authorized capitalization of 1,000,000 shares $1 par value. Of these 400.000 shares have been issued to the vendor syndicate. At the conclusion of the present financing, there will be 763,522 shares outstanding.

Rosedale Mines Reports Mill Capacity of 125 Tons

While currently operating on a basis of 50 tons per day, the mill at Rosedale Mines, a Canadian company with property in the state of New Mexico, U.S., is capable of production of 125 tons per day. It has been pointed out to The Financial Post that in a recent article this point was not made clear, it being possible to interpret the article as stating that the capacity of the mill was only 50 tons per day. This interpretation is incorrect.

New Faces on Mining Corp. Board

C. G. McCULLAGH

CHARLES McCREA

W. R. P. PARKER

All of whom have recently been appointed directors of Mining Corporation. Mr. McCrea was Minister of Mines for Ontario in the Henry cabinet. Mr. McCullagh is partner in the firm of R. P. Barret & Co. W. R. P. Parker, prominent Toronto barrister, has been connected with a number of other Canadian mining concerns in the past and was, prior to 1929, a director and vice-president of Mining Corp. Behind the official announcement of these appointments lies the fact they represent the entrance of British capital into Canadian mining in what is reported to be a considerable scale.

Mine Centre

Area First Known in 1893, Now Scene of Notable Comeback — Ten Properties Active

From Our Own Correspondent

HUDSON.—Between Kenora and Port Arthur is occurring the greatest revival of an early century active mining region in Canada today. Between the Lake of the Woods mines and the silver mines west and south of Port Arthur are 33 mines centred around 5 points—the Wabigoon Manitou Lakes, Sapawe Lake-Atikokan, Mine Centre, Shebandowan and Minnetaki-Vermilion Lakes areas. In the region are two properties—Central Canada with 100 tons and Golden Star with 30 tons—where mills have been in production within recent years, although both plants are now inactive. Numerous properties are being re-habilitated and many are now shaft-sinking, while the remainder are doing surface work.

Mine Centre is well named for no less than 10 properties South Vermilion, Olive, Stellar, Foley, Golden Star, Stone, Lucky Coon, Pacitto, Mayflower, and Stagee are now actively working. Undoubtedly the Mine Centre area is seeing the greatest activity of all 5 areas in the southern part of Northwestern Ontario. Dr. T. L. Tanton, geologist of the Dominion Department of Mines, has geologized and mapped the area and his report is very favorable. Prior to the report, leading properties in the area were reluctant to invest money, but with the geologist's report, it is shown that the formations are of quartz porphyry instead of granite, as formerly believed.

First Known in 1893

The year 1893 saw the first development of mine prospects near Mine Centre, and since then, properties have been developed intermittently. Recently an area about twelve miles square has been the centre of activity. The South Vermilion Gold Mines property, 2½ miles southwest of Mine Centre, is nearest to production. A shaft has been sunk 125 ft. and lateral exploration is being conducted on the first level. Complete mining and camp buildings have been erected in anticipation of production. Underground exploration is being conducted on what is claimed to be an exceptionally rich vein.

Most advanced property at Mine Centre is the Foley Mine which for years has been on the verge of production only to be held back by a series of financial difficulties. The mine has a shaft sunk to 850 ft. and machinery for a 150-ton mill has been installed in a modern building. The property was held by the British Canadian Mines which optioned it to the Foley Syndicate. The syndicate was unable to finance it, so that the British Canadian have again undertaken to put it into production. While Foley Syndicate held the property, a small stamp mill was installed and gold taken out at the rate of one ounce per ton of ore.

Adjacent to the Foley mine is the Stagee property which is now being actively explored by Wells Long Lac Gold Mines under option. A shaft has been sunk 100 ft. and drifting is being carried out on a two-ft. vein.

One of the first dividend-paying mines in Canada was the Olive Mine which has been inactive since 1897. A shaft had been sunk 245 ft. and some 700 ft. of drifting was done on three levels under former operations. A paying proposition with the old mining methods, officials are quite confident that Olive may be made a profitable mine with the more modern methods. In addition, cheap transportation and power, not available 40 years ago, is now on the property, the main line of the Canadian National Railways and the power line of the Seine River Power Co. passing right through the holdings. The mine has been dewatered, buildings and machinery have been put in shape and Olive is again in the active stage. Financing and development of the mine is being conducted by the Swayze-Huycke Gold Mines.

Golden Star Consolidated

The most recent producer in the area is the Golden Star Consolidated Mines, two miles south of Mine Centre where a 25-ton stamp mill was operated on the property early in 1934. Later in the year it was dismantled after giving very poor service and operations were suspended pending refinancing. The mine was sold in the spring of this year to the McKinnon Co., Toronto, which is in charge of further development. Under former operations Golden Star had been developed to 450 ft. with 6 levels, on which 3 veins had been developed. A highway from the railroad has been built to the property and a power line is only 1 mile distant. $160,000 was produced from the stamp mill by the early century operations.

A mining plant has been installed at the Pacitto property where active development is going ahead. A complete set of mine buildings are installed and underground exploration is now being conducted.

The Lucky Coon mine, east of Mine Centre, untouched for 30 years, is again seeing active development. Under the direction of R. Cone, a mining plant is being installed at the east end of number five shaft.

The Stellar property on Bad Vermilion Lake, adjoining South Vermilion and Stone mines, has been revived by Winnipeg and Lakehead interests with surface development now being conducted.

Stone Group

Adjacent to the Stellar and South Vermilion mines at Bad Vermilion Lake, southwest of Mine Centre is the Stone group where a rich strike is reported to have been made this spring. Work done to date gives no definite information as to the size of the deposit, but development work is being proceeded with.

The Mayflower property, inactive for some years, has been acquired by the Plymouth Gold Mining Co. which is now developing the property. A shaft was sunk under former operations to 105 ft. with 3 levels, but work is now being concentrated on surface development and diamond drilling.

The Port Arthur Copper Co. property, also in the Mine Centre area, has not been worked for copper for some years, but recently surface development uncovered a number of gold veins. The property is at present inactive.

GUNNAR PREPARES TO INSTALL MILL

Rights Offered Shareholders on One-for-One Basis

Indicated and proven ore at the property of Gunnar Gold Mines, in the Big Rice Lake section of Manitoba, is sufficient in tonnage and grade to justify erection of a mill the size of which will be decided upon in August, G. A. LaBine, president of the company, tells shareholders in an official statement.

The ore already developed indicates a gold content of $15 a ton, it is stated. Mill tests carried on at the Department of Mines in Ottawa indicates that the ore is of a free milling grade, and an extraction of from 97 to 98 per cent is anticipated by use of the cyanidation process. Officials estimate that proven and estimated ore at the present time has a value of over $1 million.

While claiming the company has enough funds in the treasury to finance present development programme, the company wishes to provide funds now for mill construction. Accordingly, shareholders are being offered rights to subscribe for one share of new stock for each share held as at the close of business July 10, at 70 cents per share.

It is stated that an option is about to be given to purchase at 70 cents per share the whole or any part of the stock not taken up by present shareholders.

BOUSQUET PLANS MILL OF 25 TONS

Estimate Ore Above 300-ft. Level Sufficient For Two Years

From Our Own Correspondent

SUDBURY.—Bousquet Gold Mines has laid plans for a small milling plant, of at least 25 tons daily capacity. This will be erected on its West River property, according to an announcement by Lionel Brooke, president. Finances for the project, it is stated, have been arranged. It is expected work will be commenced in the near future.

Ore development at the 150 and 300-ft. levels is said to have indicated sufficient tonnage to feed a 25-30 ton mill for over two years. Estimated value of the available ore is approximately $350,000. The shaft, for a considerable distance, was sunk in ore and a small tonnage of millfeed is therefore on the dump.

In the meantime drifting is proceeding on the new vein recently encountered in the diabase, in drilling at the 450-ft. level, with encouraging results. Word from the property is to the effect that considerable free gold is in evidence, and the vein is holding its values and width.

During the construction of mill building and installation of plant, it is understood further drilling will be done underground in an effort to prove up extension of the new occurrence in the diabase.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER—Charles Bocking, president of Granby Mining, Smelting & Power Co., denies that his company contemplates moving its crews from Anyox to Allenby to re-open operations at Copper Mountain. Reports hinting that the Granby company would take advantage of the slight increase in metal prices to put Allenby into production again are without foundation, Mr. Bocking said. Operations at Allenby were suspended in November, 1930. The Anyox mine, once regarded as the largest of its kind in the British Empire, will be permanently closed down at the end of July.

* * *

Pioneer in June

During the month of June Pioneer Gold Mines production was $271,000, with expenses estimated at $63,500. Figures were not given out by the big Bridge River producer in April or May owing to labor troubles which resulted in severe curtailment of operations. March, with production rated at $225,200, was the only month that exceeded the June figure.

Pioneer commenced payment of dividends in 1931, and with payment of 20 cents a share distributed on July 2 of this year, the total reaches $3,290,800. This is equal to $1.80 per share on issued capital of 1,751,750 shares out of authorized capital of $2,500,000 in the same number of shares of par value of one dollar.

* * *

BRX Tunnel

BRX crosscut tunnel, running southeast, is now about 1,200 ft. from the portal and from a point near the face a diamond drill hole has been put out about 650 ft. east. Two albitite dikes were penetrated and a quartz vein about five ft. wide, the core of which assayed .235 oz. gold per ton. While the management has made no announcement, it is conjectured that the sought for California vein has been struck and that interesting developments may follow completion of the crosscut to the point of contact.

* * *

Ymir Yankee Girl

Ymir Yankee Girl Gold Mines, operating a mine and 100-ton flotation-cyanide mill at Ymir, near Nelson, has been getting good results in recent operations. The ore shoot on the Spur vein has been followed 100 ft. on the 540 ft. level, with average value of .8 oz. gold, or $28 over the average width of 4.1 ft. The drift is expected to enter another high grade shoot already developed on the 400-ft. level.

* * *

Meridian Reports Profit

Directors of Meridian Mining Co., operating mine and 100-ton mill at Cambourne in the Lardeau district, have issued a statement showing $28,741 in liquid assets, including concentrate produced between June 14 and June 30 and two carloads en route to smelter. It is estimated that broken ore in the stopes ready to be drawn upon is worth about $65,000, indicating profit of about $30,000 after payment of usual charges.

* * *

To Re-open Nicola

Nicola Mines & Metals, which has been shut down since last September, will soon be re-opened, according to Peter Bancroft, president. S. C. Betts, for five years with Noranda, accompanied Mr. Bancroft on a recent trip to the mine and said he was convinced that efficient management would make Nicola a worth-while proposition. The mill is reported in good shape.

J. M. Consolidated Plans To Mill on Larger Scale

Officials of J. M. Consolidated Mines are considering resumption of milling operations on a scale even larger than the initial 25 ton operations carried on last year, The Financial Post is officially informed.

The initial steam operated unit on this property in the Patricia district started up early in 1934. This mill was closed in September to increase the capacity, and resumed in October on a 30-ton basis. Later, milling operations were suspended to prove up further ore.

John W. Shaw, consulting engineer for the company, estimates ore blocked out at 45,000 tons of $11 grade. It is claimed that this, with the ore indicated but not blocked out in the north workings, would be sufficient to last a 100-ton mill for two years.

The projected 100-ton unit would necessitate electrical power, and the company has asked the Hydro Electric Power Commission for 500 h.p.

The company is encouraged by developments in the north vein section, where both the 125-ft. and 300-ft. level indicate important developments.

SMELTER REPORT GIVES GOOD BASIS FOR FAITH IN 1935

Higher Production Plus Increased Prices Shown

Increased production in the second quarter of 1935, plus an increase in the price of its various products, indicates that earnings of Consolidated Mining and Smelting Co. will show material improvement during 1935.

With the exception of copper, which is a small factor in the production of this company, noteworthy increases are shown in quarterly report just released. Production figures for the quarter ended June 30, with comparative figures for the quarter ended March 31, are as follows:

Quarterly Output

	First Quarter 1935	Second Quarter 1935
Lead, tons	39,991	40,781
Zinc, tons	27,192	30,095
Copper, tons	235	84
Silver, oz.	1,692,775	2,110,344
Gold, oz.	9,992	18,239

These gains are still more impressive when it is remembered that lead, copper, zinc and silver prices all showed material gains in the second quarter of 1935. Gold prices remained almost stationary.

Lead prices averaged in London, in Canadian funds, about 2.33 cents per pound during the first quarter of 1935. In the second quarter, The Financial Post estimates that the average price in London was about 3.2 cents.

Average zinc prices in the quarter ended March 31 were 2.7 cents per pound, as compared with 3.3 cents per pound in the second quarter.

Copper prices, although they have since fallen off slightly, averaged 6.7 cents per pound in London during the first quarter, and 7.8 cents in the second quarter.

Silver prices, as everyone knows, gained startlingly during the period, from a per ounce price of 56.4 cents in the first quarter, 1935, to an estimated average of 71.1 cents per ounce in the second quarter.

Application of these figures to the production of Smelters shows what a noteworthy increase there should be in the earnings of this company in 1935, since increased production and prices hold true of the first half of 1935 in comparison with the first half of 1934.

Comparison of the six months output, 1934, with the similar period this year, shows the following gains.

Six Months Ended June 30

	1935	1934
Lead, tons	80,772	74,271
Zinc, tons	57,287	50,888
Copper, tons	319	589
Silver, oz.	3,803,119	3,562,840
Gold, oz.	28,231	17,642

Taking the average prices for these commodities in the first half of 1934 and the first half of 1935, estimated only, one is able to arrive at some idea of what this increase will mean to the annual earnings of this company in 1935 as compared with last year.

The following is a rough estimate of the comparative gross returns in the two periods, based on this data:

First Six Months

	1935 $	1934 $
Lead	5,249,180	4,159,176
Zinc	5,499,552	4,900,614
Silver	2,445,405	1,592,589
Gold	988,085	617,470
Total	14,182,222	11,269,849

Copper has not been taken into account, inasmuch as the output in both periods did not amount to very much. Zinc prices during the first half of 1934 were generally higher than average prices during the first six months of this year.

From this rough calculation, however, it will be seen that Smelters gross earnings should, this year, exceed the gross earnings in 1934 by about $2.9 millions, or, on the outstanding stock, about $4.4 per share, before deduction of any expenses.

Iron and Steel Industry

Production of the iron and steel industries in 1934 was valued at $308 millions compared with $212 millions in 1933. The improvement was quite general with all industries except bridge and structural steel work which declined 16 per cent.

Metal Prices

New York—July 9—

Copper: Electrolytic spot and future, 8c.
Silver: 68⅛c.

London—July 9—
(Long Ton)—

Copper: Electrolytic spot, £33 10s; future, £34; Standard spot, £30; future, £30 10s.
Tin: Spot, £230 17s 6d; future, £214 17s 6d.
Lead: Spot, £13 15s; future, £13 17s 6d.
Zinc: Spot, £13 15s; future, £13 17s 6d.
Silver: 30¼d.

Canada—July 9—

Gold: $34.95.
Gold: 140s 7d.

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"SEC Snooping"

International Nickel and Hudson Bay Smelters Provide This Week's Data For Newest Game

Believed to be the most popular pastime since the passing of Mah Jong, "SEC Snooping" now provides the tired American business man and his wife with considerable entertainment.

"SEC Snooping" was made possible by the formation of the Stock Exchange Commission, known to newspaper headliners as SEC. Periodically, all companies listed on the New York Stock Exchange must report to SEC details of the number of shares held in the company by directors and officials and the salaries thereof. Promptly, SEC gives the list to the public, who can peruse it with the always desirable feeling that they are getting inside stuff.

Latest to provide the public through SEC with these entertaining morsels were International Nickel Co. of Canada, and Hudson Bay Mining and Smelting Co.

High man with International Nickel was James A. Richardson, of Winnipeg, who, as at Feb. 28, held 111,563 common shares. Outranking Mr. Richardson in voting power, however, appeared to be Thomas Morrison of Pittsburgh, who, in addition to reporting 84,789 shares of common stock, has 1,600 shares of the $100 par preference stock, each of which carries 20 votes as compared with one vote each for the common and $5 par preference.

Holdings of the common stock follow, each of the persons named being directors of the company unless otherwise mentioned;

James L. Ashley, sec.-treas.	21,060
F. P. Bernhard, controller	......
John P. Bickell	10,079
Hon. H. Cockshutt	1,000
Wm. Nelson Cromwell	4,000
John Foster Dulles	500
D. Owen Evans, M.P.	4,508
Reg. Halladay	100
Charles Heyden, chm. of board	100
J. W. McConnell	30,200
Sir Harry McGowan	1
R. Samuel McLaughlin	26,621
Ross H. McMaster	200
William W. Mein	128
Lord Melchett	1
Paul D. Merica, assistant to pres.	4,500
Sir Robert L. Mond	8
Thomas Morrison	84,789
J. C. Nichols, assistant to pres.	50,034
Britton Osler	10,060
Seward Prosser	2,080
James A. Richardson	111,563
Grant B. Shipley	4,352
Robert C. Stanley, president	75,000
Andrew V. Stout	10,000
John F. Thompson, vice-pres.	10,087
Lord Weir of Eastwood	6,300

The $100 par preference is reported as under: J. L. Ashley, 100 shares; W. N. Cromwell, 550; J. W. McConnell, 1,200; R. S. McLaughlin, 2,000; Thomas Morrison, 1,600; Seward Prosser, 1; R. C. Stanley, 1,100; A. V. Stout, 100; Lord Weir, 1.

The $5 par is reported: D. O. Evans, 700; G. B. Shipley, 500, and Lord Weir, 5,000.

Hudson Bay Mining and Smelting Co. reports salaries and holdings as of April 13, as follows:

R. H. Channing, Jr., president, $33,453.26; A. J. McNab, vice-president, $11,099.96; Erich Weber, asst. secretary, $10,000.

Holdings as of April 13:

C. V. Whitney, chm. board of directors, no par value, 175,000 shares; five-year 6 per cent gold debentures, $199,400; no par value, 183,800 shares; five-year 6 per cent debentures, $698,000.

R. H. Channing, Jr., president, no par value, 9,000 shares.

Henry Krumb, vice-pres., no par value, 38,425 shares.

Arthur H. Lockett, vice-pres., no par value, 800 shares.

A. J. McNab, vice-pres., no par value, 5,060 shares; five-year 6 per cent gold debentures, $100.

Carroll Searls, vice-pres., no par value, 2,000 shares.

Frank L. Crocker, general counsel, no par value, 15,000 shares.

Charles F. Ayer, director, no par value, 1,801 shares.

Britton Osler, director, no par value, 750 shares; five-year 6 per cent gold debentures, $1,000.

James P. Watson, director, no par value, 453 shares.

Henry E. Dodge, secretary, no par value, 2,100 shares.

Erich Weber, asst. sec., no par value, 456 shares.

William T. Smith, asst. sec., no par value, owned 43 shares; no par value held, 1,253 shares.

Jowsey Island Extends Vein By Diamond Drills

The initial 5,000 ft. diamond drilling contract let this spring by Jowsey Island Gold Mines, God's Lake subsidiary, is nearing completion, officials of the company inform The Post. Following the assessment drilling started last March recent drilling has been restricted to the Akers vein. Initial results of this work indicate the identical structural features of the God's Lake ore body.

Simultaneously, the Jowsey vein, in which a 300 ft. ore body occurs, is being further developed. Capitalizing on the fact that God's Lake power plant construction is ahead of schedule, the company now plans to install a complete electrical mining plant for sinking on the Jowsey vein, instead of the gasoline plant just planned.

An extension of the Jowsey vein porphyry intrusive, 2,000 ft. west of the Jowsey ore shoot has been encountered by diamond drilling. Thus an indicated length of 2,000 ft. is given for this ore body, which showed a width of 200 ft.

McMillan Output Decreases in June

From Our Own Correspondent

SUDBURY. — Directors of McMillan Gold Mines report that a meeting of shareholders will likely be called for July 20 or thereabouts, at which time a report covering operations for the first half of 1935 will be submitted.

June production, it is learned, fell off somewhat from that of the previous month. June's output was 935.8 ounces of gold, valued at approximately $32,300, compared with 1,044 ounces in May, worth $36,500.

Encouraging results have been secured from the campaign of underground diamond drilling, and the results to date will be reviewed at the coming shareholders' meeting.

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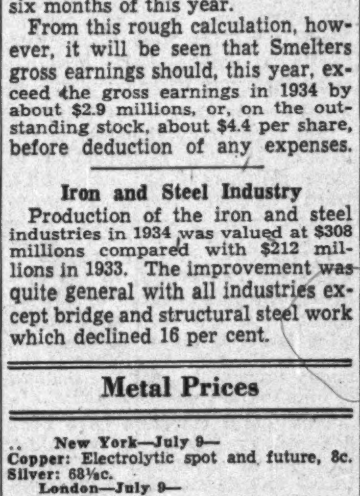

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Company Earnings

Dominion Motors, Ltd.

The 1935 consolidated deficit account of Dominion Motors, Ltd., reflects the revaluation made in the company's fixed assets and the writing down of advances to Leaside Investments, Ltd. Net loss for the year at $121,998 was substantially reduced from $691,391 in the previous period of 15 months.

Consolidated Deficit Account

	12 mos. ended Mar. 31 1935 $	15 mos. ended Mar. 31 1934 $
Net loss	121,998	691,391
Add: Previous deficit	770,625	81,432
Ad. of fixed assets	540,944	......
Advs. to Leaside Inv. Ltd. w/o	1,241,568	......
Less: Res. inc. tax res.	......	2,198
Deficit forward	2,675,124	770,625

Working Capital

	1935 $	1934 $
Current assets	34,320	71,740
Current liabilities	564,769	718,965
Working capital	*530,449	*647,225
Ratio	0.06—1	0.09—1

*Excess of current liabilities over current assets.

Oshawa Buildings, Ltd.

Oshawa Buildings, Ltd., suffered a loss of $2,613 on operations in the year ended Dec. 31, 1934. Although only a half year's interest was paid during the year, for the coupon due Jan. 1, 1932, a full year's interest is charged in the accounts. This, with mortgage interest and depreciation, results in net deficit for the year being shown at $20,414.

Income and Deficit Account Year Ended Dec. 31, 1934

	$
Rental revenue	26,977
Add: Int. on deposits	63
Total revenue	27,040
Less: Oper. exp.	22,280
Management fees	1,707
Salaries	†1,650
Rentals rec. w/o	2,602
Gen. admin. exp.	1,414
Less	2,613
Add: Depreciation	1,772
Bond interest	14,917
2nd mtge. interest	1,112
Deficit for year	20,414
Add: Prev. deficit	50,172
Amort. of bond disc.	1,585
Deficit forward	72,171

†Bookkeeping services for 1932, 1933 and part of 1934.

Quinte & Trent

Quinte and Trent Valley Power Co. reports for the year ended December 31, 1934, operating revenues of $9,454 against $7,549 in 1933. After all senior charges, but before bond interest, there was a deficit of $29,506 compared with $14,191 in the previous fiscal period. Bond interest of $40,788 increased the year's loss to $70,294.

In his report to the security holders, J. G. G. Kerry, president, pointed out that at the end of 1934 all obligations of the company, except those to its own security-holders, had been met.

Following the reorganization of Canadian Paperboard Co., Quinte and Trent Valley Power received 2,500 shares of no par value common stock in the new Canadian Paperboard Ltd. The latter company is also indebted to Quinte and Trent to the extent of $50,000 at the end of 1934, this indebtedness arising out of the terms of the plan of reorganization of Canadian Paperboard Co.

Western Homes, Ltd.

Gross revenue of Western Homes, Ltd., in the fiscal year ended Dec. 31, 1934, amounted to $75,278, or about $25,000 below average for the last ten years. After all expenses, including a substantial loss on properties taken in settlement of mortgage claims, net profit was shown at $25,036, as against $18,142 a year ago.

Profit and Loss Account Years Ending Dec. 31

	1934 $	1933 $
Gross earnings	75,278	......
Less: Oper. exp.	23,421	......
Net oper. profit	51,857	21,303
Less: Loss on real est.	23,449	......
Inc. tax and insur.	3,372	3,161
Net profit	25,036	18,142
Less: Dividend	......	28,060
Surplus for year	25,036	*9,918
Prev. balance	24,012	33,930
Balance carried for'd.	49,048	24,012

*Deficit.

Dominion-Scottish Investments, Ltd.

Operations of Dominion-Scottish Investments, Ltd., in the fiscal year ended May 31, 1935, resulted in earnings of $1.37 per share on the preferred stock, as against $1,20 per share in the preceding year. Of this amount $1.25 per share was paid out in dividends on the preferred stock, compared with $1 in 1934.

Income and Surplus Account Year Ended May 31

	1935 $	1934 $
Div. int. & other inc. rec.	103,822	94,022
Less: Rents, salaries, gen. exp.	11,439	11,675
Directors' fees	3,000	3,000
Int., exchge., etc.	910	331
Trustees & auditors' fees	1,632	1,583
Net earnings	86,841	77,434
Less: Income tax	5,065	6,014
Net profit	81,776	71,420
Less appropriations: Preferred dividends	74,625	64,675
Surplus	7,151	6,745
Add: Prev. surplus	61,687	54,943
Balance forward	66,838	61,688

Candn. Gypsum Acquires Toronto Asphalt Roofing

Toronto Asphalt Roofing Manufacturing Co., Mount Dennis, Ont., has become affiliated with the Canadian Gypsum Co.

The Toronto Asphalt Roofing plant and office will remain at Mount Dennis. Sales and operating personnel will not be changed, F. P. Turner continuing as general manager and W. C. Milne as sales manager.

Public Utility Earnings

Mexican Light and Power

April:	1935 $	1934 $	Decrease $
Gross earn.	577,706	689,151	111,445
Oper. exp.	450,234	453,281	3,047
Net earn.	127,472	235,870	108,398
4 Months:			
Gross earn.	2,503,094	2,797,113	294,019
Net earn.	717,810	1,038,688	320,878

Bilmac Suspends In W. Shiningtree Pending Financing

From Our Own Correspondent

SUDBURY.—Operations at Bilmac Gold Mines, in the West Shiningtree area have been temporarily suspended. Officials of the company tell The Financial Post that as soon as further funds are obtainable, work will be resumed. Officials hope this will be before the end of July or early in August.

Bilmac is an amalgamation of the White Rock Mines, Harvey Kirkland and properties of the Atlas and MacVittie estates. Some very rich pockets of ore were reported in earlier operations, and during the last few months the Bilmac organization has deepened the shaft to 425 ft. A new vein showing visible gold was encountered in the shaft, being first revealed at 380-ft. vertical depth with a 65 degree dip and it remained in the shaft to the 400-ft. depth. The vein was 3.5 ft. wide at the bottom of the shaft. An assay reported values of $28 to the ton in gold across 33 inches and also showed visible gold.

The company expressed enthusiasm at the showing, and it was intended to prosecute lateral work on the Evelyn and Saville veins. The new vein came into the shaft close to the anticipated downward extension of the Saville vein, on which there has been no underground development.

Bilmac is capitalized at 2,000,000 shares of which 700,000 are pooled to July, 1936. There are over a million shares in the treasury. James Grant has been in charge of recent development.

Milling Resumed By Base Metals

G. C. Ames, secretary of Base Metal Mining Corp., confirmed to The Financial Post the report that milling at the company's property near Field, B.C., had been resumed, on an if, as and when basis.

Production at this lead-silver-zinc mine was suspended last February, due to low metal prices and to facilitate the development programme. Officials of the company were unable to say whether or not the resumption could be considered as more or less permanent or not. It is understood that Frank Eichelberger, vice-president of the company and general manager, recently underwent a serious operation for appendicitis and an official statement is awaiting his recovery.

Survey Gas and Oil Areas

Making one of the most important drives in the history of the West in search of oil and gas prospects, four geological survey parties are being sent out from Edmonton this season to map and make structural studies of an area of 40,000 square miles

Central Patricia Gold Mines—Established a new high record for production in June, when recovery was valued at about $80,000 compared with $70,000 in May. The mill treated 3,460 tons of ore and recovered 2,268 ozs. of gold. This gives a per ton recovery of .65 ozs. gold.

B.C.'s 6 Months Gold Output Increases Despite Strikes

1935 Mine Production Estimated at $46,500,000, or an Increase of 4.7 Per Cent Over 1934 — Base Metal Outlook Improves

From Our Own Correspondent

VANCOUVER. — Curtailment of operations at the Premier mine in the Portland Canal field and strike conditions in the Bridge River area, which resulted in total shutdown of such big producers as Pioneer and Bralorne for a couple of weeks, were factors contributing to the reduction in lode gold production for the first six months of the present year in British Columbia, but even with these considerations included, the volume output of gold for the period is in excess of that for the corresponding months last year. Had these adverse factors not been present, the total would probably be about $500,000 higher.

Gross at $21 Millions

Estimated gross value of mine production for the first six months of the year is $21,672,674, according to a statement issued by the provincial government. Estimate for the year is $46,500,000, indicating an increase of $974,846, or 4.7 per cent, over the value of the industry for the corresponding period of 1934, but an increase of only $65,204, or three per cent, for the full year.

The estimate has been increased somewhat since the beginning of the year, when provincial mining officials forecast $44,500,000.

In detail here is the estimate of six months production, with comparative figures for the preceding six months. Production of gold is invariably greater in the second half of the year, and an increase of at least $300,000 may be expected.

Lode gold production during the coming six months will probably be increased substantially by the coming into operation of several smaller properties which were inactive earlier.

Decline in production of lead-zinc ores brought a drop in silver production for the period under review. Resumption of operations at Monarch mill near Field should bring the total higher later in the year. Increasing value of silver may result in a $200,000 increase in value of B.C. production for the year.

Anyox Developments

Developments at the Anyox mine of Granby Consolidated will influence copper production considerably. Latest reports were that the big mine would be closed down this month, and if that transpires the decline in copper production for the year will amount to about $1,400,000.

Stiffening of lead prices should bring this year's value close to that of 1934. Reopening of Monarch mine would swell output of zinc and lead as well as of silver.

There is no improvement in the coal situation, the trend being steadily downward.

Six Month Comparison

Product	Quantity 1934	Quantity 1935	Value 1934	Value 1935
Gold, placer	18,581 oz.	7,000 oz.	$ 526,239	$ 201,956
Gold, lode	157,530 oz.	161,200 oz.	5,411,053	5,654,896
Silver	4,422,916 oz.	4,300,000 oz.	2,201,084	2,753,677
Copper	23,034,658 lb.	27,500,000 lb.	1,536,648	1,997,875
Lead	185,806,967 lb.	160,100,000 lb.	4,298,942	4,160,999
Zinc	130,146,844 lb.	120,700,000 lb.	3,617,988	3,383,221
Coal (2,240 lb.)	694,090 tons	606,600 tons	2,949,883	2,578,050
Structural materials	......	......	593,719	560,000
Miscellaneous metals	......	......	471,914	382,000
Totals			$21,607,470	$21,672,674

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ROSEDALE GOLD MINES, LIMITED

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Expanding output and net earnings point to either higher dividend payments or extras from time to time. This trend is likely to be reflected in higher prices for the shares.

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At the Mines

Austin Rouyn Gold Mines—Sinking of the No. 2 shaft, main mine opening, is advancing at the rate of about 28 ft. per week, officials of the company state. It is anticipated that the first level will be established at a depth of 125 ft. in about four weeks. The shaft is being sunk on the main vein system, which has been traced for about 7,000 ft. on either side of the shaft.

* * *

Duparquet Mining Co.—This company's No. 30 drill hole has cut the main A ore body at 675 ft., the maximum depth yet explored by the drills, according to J. McWilliam, secretary. Both in width and values the cores revealed a continuance to depth of about the average results obtained on the upper horizon. The company's engineers interpret these findings as indicating that the ore body persists to at least a depth of 1,000 ft.

* * *

Kootenay Belle Gold Mines—For the three months ended May 31, 1935, produced 5,638 tons of ore at a cost of $2.67 per ton and milled 3,900 tons at a cost of $1.45 per ton, officials report. For the same period, net receipts from the Trail Smelter were $40,353, and the net surplus, exclusive of depreciation and depletion, $12,812. On the new lower tunnel the face has been advanced over 200 ft.

* * *

New Golden Rose Mine—J. Bradley Spreit, president of Afton Mines was elected president of this newly incorporated company at a meeting recently. W. M. Archibald, vice-president of Consolidated Mining and Smelting Co. was elected vice-president, W. B. McHenry, secretary, J. J. Warren, president Consolidated Smelters, and E. J. Montgomery, also of Smelters, were elected directors.

Macassa Recovery Shows Drop in June

Macassa Mines, Kirkland Lake producer, showed slight decrease in June production, due, it is claimed, to the fact that a temporary break in mill machinery interfered with the month's run. The break has since been repaired, and the mill is now operating normally, The Financial Post is informed.

June tonnage treated amounted to 5,742 tons of ore, from which a recovery of $84,194 was made. This is equivalent to an average recovery of $14.66 per ton. In May, tonnage treated amounted to 5,840 tons, with a recovery of $91,021, or an average per ton recovery of $15.59. April recovery averaged $16.39 per ton.

Mining Reports

Red Lake Gold Shore

Current assets of $952, as compared with current liabilities of $23,232 are shown in the first annual report of Red Lake Gold Shore Mines, for the year ended Dec. 31 1934. Shown on the balance sheet as a deferred asset are supplies on hand of $1,647.

Included in the current liabilities is a note payable to the Imperial Bank of Canada, for money borrowed, of $7,500. Accounts payable amount to $9,958.

In his report to shareholders, Charles E. St. Paul, president of the company, reports that after several years inactivity, due to lack of finances, funds have recently been forthcoming in ample amounts. Last summer, a mining plant was installed, and the three compartment shaft has been sunk to 300 ft. with stations at the 182 ft. and 300 ft. levels. The ore body has been opened up on these two levels. Mill plans will be deferred until the shaft is down to the 425 and 525 ft. levels.

The following is a summary of results obtained from development work completed during the year, as reported by W. P. Mackle, mine manager:

Development Summary

Level	Width ft.	Value in ozs. per ton	Ore Length ft.
182 ft. (main)	4.8	1.41	120
182 ft. (cross)	3.0	.30	90
300 ft. (main)	4.6	.58	125

The above widths, it is pointed out, do not represent the full width of ore, except in the case of the cross vein. Main vein widths are drift widths only, indications being that full widths of the ore body runs over these figures.

John W. Shaw, consulting engineer, in a report dated June 20, 1935, estimates that the ore reserves on the main vein, not allowing for extension of widths, at 13,125 tons containing 13,046 ounces gold, or .994 ozs. per ton.

Preparations are now being made, Mr. Shaw reports, to sink the shaft to the 425 ft. level. While early to make plans for the mill, Mr. Shaw urges that if development work at the property continues favorable, plans for the mill will be made, and equipment ordered so that machinery and supplies may be taken in during summer months.

Pend Oreille Mines

Slight improvement in metal prices over the past three or four months, particularly in zinc prices, give hopes of resumed production, Lewis P. Larsen, president of Pend Oreille Mines & Metals Co. tells shareholders in the annual report of the company for the year ended April 30, 1935.

During the past year, while every effort was made to keep all expenditures at a minimum, a moderate amount of development work was done, and the mine is in constant readiness for resumed production, the president states.

In the balance sheet as at April 30, 1935, current assets are shown at $28,598. Current liabilities are shown at $65,205.

Among the assets are shown 1,209,000 shares of Reeves MacDonald Mines at cost, of $426,825.

In the income and expenditure statement it is revealed that income, derived solely from miscellaneous rents, etc., amounted to $143 during the year. Expenditures, consisting of operating and maintenance costs, including provision for depreciation, totalled $39,006, leaving a net loss of $39,007.

Subtracting this net loss from the balance as at April 30, 1934 plus adjustment affecting year ended April 30, 1934, leaves a surplus of $1,799,207 which is transferred to the balance sheet.

Mining Concerns Newly Formed

Adnaron Mines — Que. Incorp., June 17; H.O., Noranda, Que.; Author. capit., $49,500, par $1.

Beaverhouse Lake Gold Mines—Ont. Incorp., June 8; H.O., Haileybury; Author. capit., $3,000,000, par $1.

Fairmac Silver Mines—Ont. Incorp., June 14; H.O., Toronto; Author. capit., $3,000,000, par $1.

Harrison-Hibbert Mines—Ont. Incorp., May 30; H.O., Toronto; Author. capit., $1,000,000, par $1.

La Sarre Gold Mines—Ont. Incorp., June 11; H.O., Toronto; Author. capit., $3,000,000, par 1.

St. Lawrence Mica Mines Ltd.—Que. Incorp., June 15; H.O., Quebec; Author. capit., $500,000, par $1.

States-Canadian Gold Mines—Ont. Incorp., June 6; H.O., Toronto; Author. capit., $60,000, par $1.

White Otter Mines—Ont. Incorp., June 10; H.O., Hamilton, Ont.; Author. capit., $500,000, par $1.

Name Changed

DeSantis Porcupine Mines — Supplementary letters patent issued June 6 changing the name of DeSantis Gold Mining Co. to DeSantis Porcupine Mines.

Charter Surrendered

Las Development Ltd.—Ont. Incorp., May 22, 1934; Charter surrendered June 29, 1935.

Coal Commission

Personnel of the Alberta Coal Commission, to probe the whole coal mining situation and conditions surrounding same, will be named within the next two weeks, Hon. George Hoadley, minister of trade and industry, announced.

Mining Stock Quotations

Week Ending July 8.

Par Val.	Range 1935 High	Low	Company	Sales	Close July 1 (or last)	High for week	Low for week	Close July 8
1	.70	.38	Afton	90,400	.56	.70	.54	.70
No	.11	.04	Aldermac	1,000	.04½	.05	.05	.05
1	.02⅛	.01	Alexandria	8,500	.01½	.01½	.01½	.01½
No	.57	.40	Algold	1,500	.47	.48	.46	.47
No	.08½	.02½	Algoma	2,900	.04	.04½	.03½	.03½
No	4.50	3.70	Anglo-Huronian	262	4.00	4.15	4.10	4.15
No	.04	.01½	Arno	1,500	.02½	.02½	.02½	.02½
1	.32	.09	Ashley	......	.14	.....	.....	.....
1	.08	.02½	Astoria Rouyn	18,800	.04	.04	.04	.04
1	.14	.03½	Bagamac	9,900	.04	.04½	.03½	.03½
1	.08	.02½	Barry Hollinger	5,000	.03	.03½	.03	.03
1	.94	.39	Base Metals	2,400	.61	.64	.60	.60
1	.69	.14	B.E.A.R.	143,500	.54	.56	.51	.52½
No	2.16	1.27	Beattie Gold	800	1.40	1.45	1.35	1.35
1	.75	.30	Big Missouri	14,162	.58	.59½	.55	.55
1	.38	.19	Bobjo	13,000	.20	.21	.19	.20
1	2.95	1.50	Bradian	440	1.94	1.90	1.70	1.90
No	12.50	4.45	Bralorne	1,380	4.90	4.95	4.75	4.80
1	.61	.20	Brazil Gold	22,200	.50	.55	.45	.50
1	.03	.01½	Brett Trethewey	......	.02	.....	.....	.....
50c.	.24	.07	Bridge River Ex.	6,300	.08½	.10	.07½	.08
1	.03	.01	Brownlee	10,500	.01	.01½	.01	.01
1	3.50	2.50	Buffalo Ankerite	4,600	2.77	2.80	2.60	2.70
No	.03½	.01½	Buffalo Can.	1,500	.01½	.01½	.01½	.01½
5	38.15	33.75	Bulolo Gold	1,110	35.00	35.50	35.00	35.45
No	.07½	.03	Bunker Hill	17,900	.07	.07½	.06	.06½
No	.02	.01½	Canam Metals	......	.01½	.....	.....	.....
1	.03½	.01	Can. Kirkland	1,000	.01½	.01½	.01½	.01½
No	.75	.54	Malartic	12,050	.61	.63	.60	.63
1	1.50	1.05	Cariboo Gold	......	1.08	.....	.....	.....
1	.05½	.02	Cartier Malartic	6,800	.02½	.03½	.02½	.02½
1	1.34	.55	Castle Trethewey	17,400	1.09	1.06	1.00	1.00
1	.07½	.02½	Cen. Manitoba	6,500	.03½	.03½	.03	.03½
1	1.77	1.12	Cen. Patricia	25,010	1.67	1.69	1.65	1.68
No	.27	.08	Chibougamau Pros.	12,700	.19	.19	.18	.18½
No	.05	.03	Church M. & Mill.	3,000	.03½	.03½	.03½	.03½
No	.08	.02	Clericy	6,275	.04½	.04½	.04	.04
5	3.25	1.50	Coast Copper	......	1.95	.....	.....	.....
1	.08	.01½	Cobalt Contact	14,500	.02½	.02½	.02	.02
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.25	Coniagas	120	2.50	2.85	2.60	2.85
No	2.60	1.35	Coniaurum	5,375	1.60	1.60	1.35	1.45
25	184.75	125.50	Cons. Smelters	1,146	162.00	162.00	157.00	158.00
No	44.00	34.50	Dome Mines	895	39.25	39.00	38.00	38.00
1	.10	.04½	Dom. Explorers	200	.04½	.06	.06	.06
1	.02½	.00½	Dominion Kirk.	......	.00½	.....	.....	.....
1	.17½	.08½	Duparquet	47,200	.13	.13	.11	.11
1	2.93	1.02	Eldorado	27,715	1.93	1.88	1.73	1.75
No	4.10	3.25	Falconbridge	6,911	3.75	3.87	3.75	3.80
1	.04½	.02	Federal	1,000	.02	.02	.02	.02
No	.16½	.05	Francoeur Gold	......	.08	.....	.....	.....
1	.45	.25	Gabrielle	......	.25	.....	.....	.....
No	.03½	.01½	Gilbec	8,500	.01½	.01½	.01½	.01½
No	2.24	1.24	God's Lake	11,470	1.60	1.62	1.57	1.57
1	.20	.11	Goldale	800	.12	.11½	.11	.11½
50c	.46	.25	Gold Belt	3,000	.31½	.28	.27	.28
10	.19	.10	Goldfield	1,650	.14	.17	.15	.15
1	.15	.04	Goodfish	500	.04	.07	.07	.07
1	.07	.02	Graham Bosquet	5,750	.04	.04	.03½	.03½
1	.40	.18	Granada Gold	9,300	.21	.20	.18	.18
No	.12	.05½	Grandora	500	.06½	.05½	.05½	.05½
1	.45	.17	Greene Stabell	7,140	.22	.25	.22	.23
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.05	Grull Wihksne	......	.05½	.....	.....	.....
1	.97	.48	Gunnar Gold	12,580	.68	.70	.65	.69
1	.08½	.02	Halcrow Swayze	3,500	.02	.02	.02	.02
1	.10	.04	Harker	6,000	.04	.04½	.04½	.04½
5	20.25	14.00	Hollinger	2,897	14.60	14.75	14.00	14.10
1	1.10	.72½	Howey Gold	6,550	.75	.80	.72½	.73
No	16.00	11.50	Hudson Bay	782	14.65	14.85	14.50	14.85
1	15.35	12.25	Inter. Mining	......	12.25	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.12	22.25	Int. Nickel	9,360	27.62	27.50	26.50	26.75
100	130.75	125.00	Int. Nickel pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	33,650	.16½	.17½	.16½	.16½
1	.31	.22	Kirk. Hud. Bay	4,400	.25	.25	.25	.25
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.65	.33½	Kirkland Lake	15,600	.34	.34	.33½	.34
1	.33½	.17	Kirk. Townsite	......	.17	.....	.....	.....
No	.07	.03	Lake Maron	12,100	.03½	.03½	.03	.03
1	58.00	48.75	Lake Shore	2,910	50.40	52.50	50.75	51.00
1	.08	.03	Lamaque Contact	4,500	.03	.03	.03	.03
1	.09½	.03½	Lebel Oro	36,800	.04½	.04½	.03½	.04
1	.08	.02½	Lee Gold	11,200	.04½	.04½	.04½	.04½
No	7.25	4.55	Little Long Lac	8,915	5.00	5.10	4.55	4.60
1	2.75	1.52	Macassa	11,595	1.65	1.67	1.56	1.60
1	.03	.00½	Malrobic	......	.00½	.....	.....	.....
No	.10	.06	Mandy	......	.08	.....	.....	.....
No	.12½	.03	Man. & Eastern	7,300	.05	.06	.04½	.06
1	.14	.03	Maple Leaf	14,200	.04	.03½	.03	.03
5	46.00	37.00	McIntyre	200	41.25	41.25	40.15	40.15
1	1.45	1.06	McKenzie R.L.	6,100	1.17	1.18	1.14	1.15
1	.70	.60	McKinley	......	.63	.....	.....	.....
1	.46½	.15	McMillan	4,700	.16	.17	.16	.16
No	2.15	.45	McWatters	26,366	1.25	1.27	1.14	1.20
1	.40	.10	McVittie	10,200	.13	.14	.13	.13
No	1.50	.85	Mining Corp.	13,580	1.25	1.50	1.25	1.45
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	8,000	.01½	.01½	.01½	.01½
1	.16	.09	Moneta	2,000	.11	.10	.09½	.10
1	.72	.47	Morris Kirkland	9,060	.65	.67	.65	.66
1	.01½	.00½	Murphy	......	.00½	.....	.....	.....
No	.04	.01½	Newbec	3,000	.01½	.01½	.01½	.01½
1	.04½	.00½	Night-Hawk Penn.	2,500	.01½	.01½	.01½	.01½
5	2.95	2.11	Nipissing	800	2.28	2.25	2.20	2.20
No	43.00	31.00	Noranda	2,907	36.75	37.45	36.75	36.80
No	.31	.19	Nor. Canada	500	.20	.19	.19	.19
1	.75	.30	O'Brien	2,000	.36	.38	.37	.37
1	.10	.05	Osisko	......	.06	.....	.....	.....
1	.32	.18	Parkhill	13,700	.20	.20	.18	.18
1	.04½	.01	Pawnee Kirk.	16,500	.03	.03½	.02½	.03½
1	.30½	.16	Paymaster	52,900	.29½	.30	.28	.28½
1	.84	.40	Pend Oreille	2,500	.53	.65	.50	.50
1	.83	.69	Perron Gold	3,900	.74	.75	.70	.73
1	.09½	.01½	Peterson Cobalt	16,000	.04½	.04½	.04	.04
1	2.96	2.10	Pickle Crow	28,445	2.20	2.30	2.18	2.20
1	12.25	9.00	Pioneer Gold B.C.	485	9.75	10.00	9.65	9.85
1	.06	.03	Porcup ne Crown	11,650	.05	.05½	.04½	.04½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.45	Premier Gold	13,898	1.64	1.66	1.46	1.46
1	.02½	.01	Preston E. Dome	4,500	.01½	.01½	.01½	.01½
No	3.05	1.25	Prospectors Air's	1,500	1.45	1.41	1.37	1.38
1	.80	.09½	Quebec Gold	7,460	.64	.63	.60	.60
No	.15	.02½	Quemont	20	.03	.15	.15	.15
1	.98	.55	Read Authier	22,923	.98	.98	.91	.92
1	.41	.27	Red Lake Gold	19,150	.32½	.32½	.32	.32
1	1.67	1.21	Reno Gold	3,900	1.39	1.40	1.34	1.34
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.01	Ritchie	2,000	.01½	.01½	.01½	.01½
1	.04½	.02	Robb Montbray	10,400	.02½	.03	.02½	.03
1	.10½	.04½	Roche Long Lac	8,700	.05	.06½	.05½	.06
1	5.20	3.10	San Antonio	7,060	3.68	3.85	3.60	3.70
50c.	1.25	.54	Sheep Creek	8,600	.90	.88	.85	.85½
1	1.00	.45	Sherritt Gordon	17,144	.55	.59	.51	.51
1	3.29	2.49	Siscoe	23,705	2.61	2.65	2.51	2.62
1	4.60	3.30	South Amer. Gold	300	3.90	3.90	3.90	3.90
No	.15	.05½	South Tiblemont	11,000	.07	.06½	.05½	.06½
No	.32	.13½	Stadacona	188,200	.23	.26½	.22	.26
1	.39	.15	St. Anthony	11,050	.16	.17	.15	.15
No	1.62	1.25	Sudbury Basin	3,790	1.33	1.38	1.33	1.38
1	.11	.05	Sudbury Contact	3,100	.05½	.06	.06	.06
1	.07½	.03	Sudbury Mines	16,500	.05½	.05½	.05	.05½
1	.75	.35	Sullivan Cons.	47,619	.70	.73	.67	.71
1	2.70	2.00	Sylvanite	9,085	2.19	2.17	2.06	2.13
1	.67	.40	Tashota Gold	15,800	.47	.47	.40	.43
1	4.70	3.67	Teck Hughes	9,238	4.09	4.20	4.10	4.13
1	.02½	.01	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.08	Toburn Gold	1,185	1.13	1.12	1.08	1.08
1	.30½	.10	Towagmac	900	.14	.18	.14	.14
1	.30	.12	Treadwell	100	.30	.30	.30	.30
No	.01½	.00½	Vacuum Gas	3,500	.01	.00½	.00½	.00½
No	.32	.10	Vanson Man.	......	.10	.....	.....	.....
No	1.07	.80	Ventures	8,508	.83	.83	.82½	.82½
No	.90	.45	Waite Amulet	899	.45	.55	.47	.50
50c	.24½	.07	Wayside	22,000	.11½	.12	.10½	.10½
No	.10½	.02½	White Eagle	12,200	.02½	.02½	.02½	.02½
1	.07	.03	Wiltsey Coughlan	5,000	.04	.04	.03	.04
1	.07½	.03½	Wood Kirkland	11,000	.04½	.04½	.04	.04
No	9.90	7.75	Wright-Hargreaves	3,160	7.85	8.00	7.75	7.85
No	.85	.33	Ymir Yankee	2,000	.33	.35	.33	.33
			OIL STOCKS					
No	.26	.18	Acme Gas & Oil	12,100	.19	.19	.18	.18½
1	1.09	.50	Ajax	5,800	.50	.55	.50	.50
No	.85	.49	Calgary & Ed.	35	.50	.60	.60	.60
1	.08	.04	Calmont	......	.04	.....	.....	.....
No	.05½	.03½	Common Pete	......	.04	.....	.....	.....
No	.38	.20	Dalhousie	600	.24	.24	.23	.24
No	.12	.05	East Crest	1,100	.06	.08	.05	.08
No	.21	.06	Erie Gas	......	.06½	.....	.....	.....
No	.35	.08	Foothills	......	.35	.....	.....	.....
No	.15	.15	High Sarcee	......	.15	.....	.....	.....
No	.80	.50	Home	730	.53	.55	.50	.52
1	.14	.05	Homestead O. & G.	6,000	.08	.08	.05	.05
No	.13½	.07	Lowery	200	.08	.07½	.07½	.07½
No	.27	.16	Merland	......	.18½	.....	.....	.....
1	.41½	.10	Midwal	......	.10	.....	.....	.....
1	.28	.18	Model	2,500	.20	.20	.19½	.20
5	.09½	.03½	Nordon	11,100	.07½	.07½	.07	.07
No	.07	.03½	Oil Selections	17,500	.04½	.04½	.04	.04½
No	.06½	.03	Olga Gas & Oil	10,500	.05	.04½	.04	.04½
1	.65	.40	Petrol Oil & Gas	1,693	.60	.65	.60	.65
No	27.00	18.00	Royalite	1,467	23.00	24.15	23.00	24.00
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	2,250	.75	.75	.70	.75

VANCOUVER STOCK EXCHANGE

(Transaction for Week to July 5.)

Par Val.	Range 1935 High	Low	Company	Sales	Close June 28 (or last)	High for week	Low for week	Close July 5
1	.02½	.01½	Alexandria	......	.01½	.....	.....	.....
No	.16	.00½	Atlin Pacific	......	.00½	.....	.....	.....
25c.	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c.	.10½	.04½	Beaver Silver	6,500	.07	.06	.05½	.05½
25c.	.02½	.01	Bluebird	10,000	.01	.01½	.01½	.01½
1	2.80	1.50	Bradian Gold	5,170	1.85	1.85	1.75	1.80
No	12.25	4.50	Bralorne	2,475	4.80	4.85	4.70	4.70
1	.08	.03	Bridge River Cons.	1,000	.03	.03	.03	.03
50c.	.24	.07½	Bridge River Exp.	14,600	.08½	.11½	.08	.10
1	.55	.27	B. C. Nickel	14,000	.28	.29½	.28	.28
1	1.55	.90	B. C. Silver	1,300	1.00	1.25	1.20	1.25
50c.	.10	.05½	Canadian Rand	......	.05½	.....	.....	.....
1	1.50	1.00	Cariboo Gold	1,325	1.09	1.10	1.06	1.09
No	14.00	12.50	Coast Breweries	161	13.25	13.75	13.25	13.75
1	.52	.23	Congress Gold	11,450	.29	.25	.23	.24
25c.	.00½	.00½	Cork Prov.	......	.00½	.....	.....	.....
1	.07	.03	Cotton Belt	500	.04	.03	.03	.03
1	.01½	.01	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.28	Dentonia	13,900	.30	.30	.28	.28½
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.04	Dunwell	......	.04	.....	.....	.....
No	.16½	.06½	Fairview Amal.	10,000	.08½	.10	.09½	.09½
50c.	.41	.30	Fawn Mining	1,500	.30	.35	.35	.35
1	.08½	.05	Federal Gold	500	.06½	.06½	.06½	.06½
1	.20	.12	George Copper	......	.20	.....	.....	.....
50c.	.07	.03	George Enterprise	500	.05½	.05½	.05½	.05½
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c.	.06½	.01½	Glacier Creek	1,000	.01½	.01½	.01½	.01½
1	.42	.18½	Golconda	7,400	.19	.20	.19	.19
5c.	.20	.11	Golconda Ex.	......	.20	.....	.....	.....
50c.	.45½	.24	Gold Belt	3,000	.26	.28	.24	.28
50c.	.19	.07	Gold Mountain	2,600	.10	.10	.08	.09½
50c.	.04½	.01½	Grandview	6,500	.02½	.02½	.02	.02
No	.24	.03½	Grange Mines	3,500	.03½	.04	.03½	.04
1	.10	.05	Grull Wihksne	......	.05	.....	.....	.....
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
50c.	.26	.18	Hedley Amal.	8,500	.21	.23	.21	.22
25c.	11.50	6.40	Hecla	......	11.35	.....	.....	.....
No	.12	.04	Hedley Sterling	......	.10	.....	.....	.....
1	.02½	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.05	Home Gold	2,500	.05½	.05	.05	.05
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	3,000	.01	.01	.01	.01
1	.20	.17	Inter'tl Coal	......	.20	.....	.....	.....
50c.	.87	.68	Island Mountain	3,800	.74	.70	.70	.70
1	.39	.31	Jack Waite	......	.33	.....	.....	.....
50c.	.72	.33	Kootenay Belle	6,500	.35	.37	.35	.35
25c.	.01½	.00½	Koot. Florence	3,000	.01	.00½	.00½	.00½
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c.	.04½	.02	Lucky Jim	......	.03	.....	.....	.....
No	.41	.07	Mak Siccar	2,600	.15	.15	.12½	.12½
50c.	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.15	McGillivray Creek	......	.20	.....	.....	.....
10c.	.19	.05	Meridian Min.	17,950	.05½	.05½	.05	.05
No	.24½	.06	Minto Mines	24,500	.07½	.09	.07	.07½
50c.	.12½	.03½	Morning Star	15,600	.05½	.05½	.04½	.04½
1	.02	.01	Morton Woolsey	......	.01	.....	.....	.....
50c.	.06½	.03	National Silver	9,500	.03½	.03½	.03½	.03½
50c.	.17	.05	Nicola	27,950	.11½	.11½	.09	.09
50c.	.16	.05½	Noble Five	15,700	.07½	.07½	.06½	.07
No	.09½	.03	Pilot Gold	7,000	.04	.04	.03	.03
1	12.40	9.10	Pioneer Gold	190	9.60	10.00	9.60	10.00
50c.	.15	.07	Porter Idaho	3,500	.08½	.08½	.08	.08
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.10	Quesnelle Quartz	700	.10	.11	.10	.10
No	.18	.11	Reeves McDonald	......	.13	.....	.....	.....
1	.39	.25	Relief Arlington	8,600	.28	.29	.28	.28
1	1.62	1.24	Reno Gold	1,150	1.39	1.40	1.37	1.37
1	.04½	.02½	Reward Mining	3,000	.03	.02½	.02½	.02½
1	.01½	.00½	Rufus Argenta	1,000	.01	.01	.01	.01
1	.05½	.01½	Ruth Hope	500	.03	.02	.02	.02
1	.62	.25	Sally Mines	200	.33	.25	.25	.25
50c.	.18	.11	Salmon Gold	2,500	.11½	.11½	.11½	.11½
50c.	1.18	.55	Sheep Creek	10,450	.90	.90	.83	.90
1	.05	.02	Silverado	500	.03	.02	.02	.02
25c.	.02½	.00½	Silvercrest	2,000	.01	.00½	.00½	.00½
20c.	.12	.04	Silversmith	2,500	.04½	.04½	.04	.04
50c.	.01½	.00½	Snowflake	3,000	.01	.00½	.00½	.00½
10	23.75	11.45	Sunshine	800	23.00	23.00	23.00	23.00
No	.32	.15	Taylor Bridge	2,800	.18½	.18	.17½	.18
1	.20½	.12	Taylor Windfall	......	.12	.....	.....	.....
5	.35	.30	Torie	......	.30	.....	.....	.....
50c.	.10	.03	United Empire	1,800	.04	.04½	.03	.03
No	.61	.14	Vidette Gold	2,800	.17	.15	.14	.14½
No	.06	.01½	Viking Gold	4,000	.02	.01½	.01½	.01½
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c.	.01½	.00½	Waverly Tangier	2,500	.00½	.00½	.00½	.00½
50c.	.23½	.07½	Wayside	14,000	.11½	.12	.11	.11
20c.	.04	.01	Wellington	......	.02	.....	.....	.....
No	.09½	.03	White Eagle	......	.03	.....	.....	.....
1	.14	.04	Whitewater	2,500	.07½	.07½	.07½	.07½
No	.83	.40	Ymir Yankee Girl	......	.40	.....	.....	.....
			OIL STOCKS					
1	.22	.06½	Amalgamated	14,300	.12½	.13	.12	.12
1	.10½	.05½	Alta. Pacific	......	.05½	.....	.....	.....
1	.04	.01½	Anaconda	500	.02	.01½	.01½	.01½
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.06	Crow's Nest	21,500	.12½	.14	.11½	.13½
No	.03½	.01	Devenish	......	.02½	.....	.....	.....
No	.11	.05	Freehold	100	.06½	.06	.06	.06
No	.04½	.03	Hargal	......	.03	.....	.....	.....
No	.15	.09½	High Sarcee	500	.10	.09½	.09½	.09½
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.10	Marjon Oil	3,000	.10½	.11½	.10	.11
No	.05	.02	McD. Segur Ex.	......	.03½	.....	.....	.....
1	.48	.35	McLeod	......	.37	.....	.....	.....
No	.14½	.09	Mercury	17,700	.10½	.13	.10	.12
No	.14	.07	Mill City Pete	......	.07	.....	.....	.....
No	.06½	.04	Okalta	......	.05	.....	.....	.....
No	.10½	.03	Pacalta Oil	3,500	.04½	.03	.03	.03
1	1.17	.36	Ranchmen's	1,100	.36	.40	.38	.40
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.19	.....	.....	.....
No	.10	.04½	United	1,100	.04½	.04½	.04½	.04½
No	.14	.05	Vanalta	100	.05	.06	.06	.06
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	4.98
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	7.41	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	6.69	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	8.21
Dome Mines	$2	5.26	Pioneer, B.C.	80c.	8.12
Falconbridge	7½c.	.....	Reno	12+2c.	8.95
Hollinger	65c.+5c.	4.61	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.63
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Inter. Mining	15c.	.....	Sunshine	30c.	.....
Int. Nickel c.	60c.	2.24	Sylvanite	20c.	9.39
Kirk. Lake†	3c.	.....	Teck Hughes	40c.	9.69
Lake Shore	2+50c.	3.92	Toburn	8c.	7.40
Macassa	5c.	.....	Wright-Har.	40+5c.	5.09

‡Interim. †Initial.

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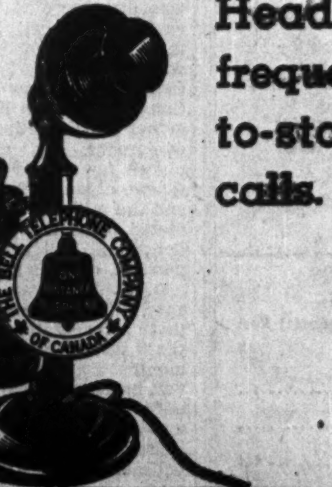

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Nova Scotia Gold Power Costs Low

Henry Moore, president of Nova Scotia Gold Mines, returning from an inspection of the Tangier operations of this company reports that the hydro plant owned by the company is producing power at a cost of about $8 per horsepower as against a nominal charge of around $32 if power were being purchased.

The collar to the main shaft, trestle work and work on the head frame is nearly completed. Dewatering has progressed to the 300-ft. level and preliminary underground inspection substantiates the ore situation as given in the engineer's report, Mr. Moore states.

Milling equipment is being put into condition for operation. The company anticipates preliminary production at around 100 tons per day and has mapped out a development programme with the object of a gradual increase in production.

At the Caribou property, Consolidated Mining and Smelting Co. is engaging in an extensive programme of development following diamond drilling.

Dynes-Johnson—This property in the Casummit Lake area, adjoining Argosy Gold Mines, will begin a programme of 1,000 feet of diamond drilling by the Sioux Lookout Diamond Drilling Co. Last fall, 2,000 feet of drilling was done.

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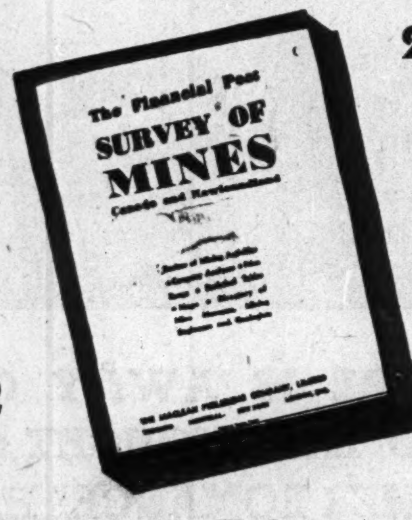

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Dividends by Metal Mines To Set New Record in 1935

Disbursements Totalling $53 Millions Indicated for the Current Year — Gold Mines Account for 77.2 Per Cent of the Total — International Nickel is Largest Contributor

A new record in dividend payments by Canadian metal mines is assured for 1935, a computation by The Financial Post shows.

During the first half of the year dividend payments and declarations by metal producers in the Dominion totalled $29,060,940 as compared with $49,217,724 in the twelve months of 1934. On this basis and making allowance for declarations payable after June 30 total distributions of approximately $53 millions are indicated for 1935.

During the past two years dividend distributions by Canadian mines have shown a sharp advance, and disbursements in the first half of the current year are in excess of the total paid in 1933 and 1932. In those years dividends by Canada's metal mines amounted to $28,364,885 and $23,472,438 respectively.

Record disbursements in the current year confirm a prediction made by The Financial Post at the end of 1934 when it was estimated that mining dividends in 1935 would break the record established in 1934 and would be in excess of $51 millions.

The increase in distributions to shareholders during the first six months of 1935 is largely due to increases in dividend rates announced by some of the larger mines in the last half of 1934. Reno Gold Mines is the only metal mine to make an initial distribution in 1935 and this amounted to only $200,894.

International Nickel continues to lead the parade as the largest individual contributor with a disbursement of $5,825,668. Lake Shore Mines, the largest gold producing property on this continent, is second with payments totalling $4,000,000. Dividends by these two companies are in excess of the total paid in 1935 to date by metal mines in British Columbia.

It is fitting that metal mines located in Ontario, which is the leading mineral producing area of the Dominion, should occupy first place as dividend payers. Not only do they hold the record for the largest individual distributions but mines in Ontario disburse more to shareholders than all the other mines of the Dominion. During 1935 to date declarations and disbursements by Ontario metal mines amount to $22,446,019, which is 77.2 per cent of the total.

Gold's Rôle

Indicative of the rôle that gold mines play in the Canadian mining industry is the amount paid in dividends. During the first half of 1935 gold mines in Canada paid a total of $18,507,058 to shareholders or 63.6 per cent of the total. In 1930, gold mines accounted for only 37.2 per cent of the total paid by metal mines. This indicates that the increase in the price of gold has been largely responsible for the higher dividend payments by metal mines.

The following tabulation is a record of dividend disbursements by Canadian metal mines:

DIVIDENDS PAID IN CALENDAR YEARS

Mine	Main Product	Paid 1935 to Date	Paid in 1934	Paid to end of 1934
		$	$	$
British Columbia				
Bralorne	gold	300,000	625,000	925,000
Cons. M. & S.▲	lead-zinc	814,565	2,932,434	49,466,762
Highland Lass	silver-lead	18,243	46,207	80,092
Howe Sound‡■	copper	710,687	1,421,373	14,948,488
Pioneer	gold	1,050,020	1,313,813	2,940,541
Premier	gold	450,000	600,000	17,858,075
Reno	gold	200,894	....	....
Former dividend payers		....	....	41,207,809
		3,544,409	6,938,827	127,426,767
Manitoba				
San Antonio	gold	313,633	112,023	112,023
Nova Scotia				
Montreal-London†	gold-silver	....	....	47,928
Ontario				
Cobalt area:				
Coniagas	silver	95,790	95,790	11,635,798
Nipissing	silver	150,000	150,000	30,090,000
Former dividend payers		....	....	54,982,983
		245,790	245,790	96,708,773
Porcupine area:				
Buffalo-Ankerite	gold	57,730	89,372	131,943
Dome■	gold	3,336,669	3,336,669	32,272,848
Hollinger	gold	2,460,000	6,888,000	72,990,400
McIntyre-Porcupine■	gold	798,000	1,596,000	14,155,517
Former dividend payers		....	....	1,000,423
		7,142,399	11,910,041	110,551,231
Kirkland Lake area:				
Kirkland Lake	gold	....	157,174	157,174
Lake Shore	gold	4,000,000	7,000,000	35,020,000
Macassa	gold	262,806	131,403	131,403
Sylvanite■	gold	329,950	824,875	1,352,795
Teck-Hughes	gold	1,442,143	2,643,929	21,317,789
Toburn	gold	74,000	148,000	148,000
Wright-Hargreaves■	gold	2,475,000	3,025,000	11,347,638
Former dividend payers		....	....	398,625
		8,583,899	13,930,381	69,973,424
Sudbury area:				
Falconbridge Nickel	nickel-copper	498,263	902,173	1,714,783
International Nickel•■	nickel-copper	5,825,668	9,222,984	158,946,432
		6,323,931	10,125,157	160,661,215
Northwestern Ontario:				
Howey	gold	150,000	500,000	500,000
Total, Ontario		22,446,019	36,711,369	438,394,643
Quebec				
Noranda■	gold-copper	2,239,772	4,579,544	17,636,936
Siscoe	gold	517,107	875,961	2,021,079
		2,756,879	5,455,505	19,658,015
Grand Total, Canada		29,060,940	49,217,724	585,639,376

† Dividend record incomplete. • Preferred and common; includes predecessor companies. ▲ Five per cent stock dividend paid in lieu of cash bonus July 15, 1931 and Jan. 15, 1932; 10 per cent stock dividend paid March 1, 1933. ■ Dividends payable in U. S. funds. ‡ Includes profits from properties outside of Canada as well as from Britannia.

SAKOOSE SELLS ALL ITS ASSETS TO TWO FIRMS

Nordic - Sturgeon Gets Major Properties — To Assume Debts

Shareholders of Sakoose Gold Mines have approved the sale of the company's assets. All resolutions set forth in the letter sent to shareholders prior to the meeting in Montreal were confirmed, ratified and approved.

Sakoose Gold properties in Ontario are sold to the Nordic-Sturgeon Gold Mines Ltd., an Ontario company with a capitalization of 2.5 million shares. Sakoose will receive 759,603 shares of Nordic-Sturgeon.

In addition the company sold its mining claims in Quebec to the Harris-Bousquet Gold Mines for consideration of 400,000 shares, which represent 40 per cent of the capitalization of Harris-Bousquet.

Under the agreement with Nordic-Sturgeon, that company will assume all the outstanding obligations of Sakoose, an amount set at about $17,000.

It is intimated in a notice to shareholders that the proceeds from the sale of these properties will be distributed among Saskoose shareholders. Sakoose will, it is understood, surrender its charter, and wind up the affairs of the company.

The announcement of the sale of Sakoose property makes no mention of the recent statement of the president of the company, to the effect that Sakoose was negotiating to sell a block of stock at 60 cents per share. In view of the fact that the market price of this stock is now about seven or eight cents a share, it is believed that the company was unsuccessful in its efforts to obtain this price for its stock.

Offered in U.K.

Nordic-Sturgeon Gold Mines is headed by Ed. Hargreaves, of Wright-Hargreaves fame. Recently, The Financial Post understands, an offering of stock in Nordic-Sturgeon was made in the United Kingdom. The tone of the literature distributed in that country by Daniels and Co., of Toronto, was criticized by sections of the financial press, basis for the criticism being alleged lack of information. The price at which the stock was offered in England was one shilling and sixpence per share.

Officials of Daniels and Co., questioned as to the offering, told The Financial Post that it had since been withdrawn. It was made prior to the negotiations with Sakoose, and had not been a success, Daniels and Co. report.

Form Private Syndicate For Mud Lake Property

A private syndicate to be known as Johnston Conway Syndicate has been formed to acquire ten claims in the Mud Lake area, north and west of the O'Leary Malartic and McIntyre ground. David S. Johnston and J. M. R. Corbet are syndicate managers.

Four men were sent in last week to prospect thoroughly the group and complete assessment work.

In staking the claims last August a shear zone was discovered from which assays ran from a trace to $6.30.

INTEREST CENTRES ON TWO DRILLINGS IN TURNER VALLEY

Renfrew and British-Dominion Closely Watched by Geologists

From Our Own Correspondent

CALGARY. — British-Dominion and Renfrew are the two Turner Valley wells in the centre of interest at the present time. The former well encountered the productive limestone at 5,830 ft. and will be drilled into production in a few weeks time. The Renfrew Royalty well, located not far distant from British Dominion, struck the Dalhousie sands, a crude oil horizon above the limestone, at 5,500 ft.

As both wells are located close to the left fold of the structure, their progress is being watched with special attention by persons interested in the geology of the field. Both wells were drilled on a royalty method of financing, although the British Dominion Oil and Development Co. has a considerable interest in the British Dominion well.

W. D. Ransom, president of Nolan-Hungerford Royalties, has announced that drilling will be resumed at the south Turner Valley well within two weeks. Promising geological conditions were revealed prior to the suspension of operations at 3,800 ft.

Comrey Resumes

Outside Turner Valley, the most important oil news concerns resumption of operations at the Comrey well, one of the most interesting tests in the province. It is located on the Comrey Dome, 35 miles east of Coutts, near the international boundary line. D. A. MacDonald, oil operator of Calgary and Vancouver, secured the acreage from Imperial Oil and the structure was geologized by Dr. Theodore Link, chief geologist for the Imperial company in Western Canada. The well is down 208 ft.

Following is official government production report for May 1:

May Production

Turner Valley:	bbls.
Advance	1,082
Associated	312
Baltac	96
Century	4,591
Dalhousie	640
Foothills	1,477
Freehold-Marjon	2,688
Longview, N.W. C. & E.	745
Lowery	208
Merland	2,525
Royalite	40,499
Southwest	93
Anaconda (Oil Investors)	1,864
Carleton	2,892
Director	2,800
East Crest	933
Highwood Sarcee	5,607
Homestead	138
Hylo	1,305
Marjon	2,510
McDougall Segur	608
McLeod	245
Mercury, Miracle, Mill City	16,853
Model	5,062
Pacalta	1,460
Publix	200
Richfield	167
Spooner	1,228
Sterling Royalties	3,131
Structure	259
Widney	233
Total	102,461
Red Coulee:	
O'Neil	402
Vanalta	1,221
Scottish United SAX	278
Total	1,901
Wainwright:	
Br. Wainwright	65
Hargal	526
Onalto	94
Sasko Wainwright	243
Wainwright Pet.	140
Total	1,068
Skiff:	
Devenish	58

Summary

Turner Valley	102,461
Red Coulee	1,901
Wainwright	1,068
Skiff	58
Total	105,488

A MAN FROM NEW YORK ..

Sat next to me in the smoker. As we rolled south we fell to talking about this and that. He had been spending his holidays in Canada, "doing" Ontario and Quebec, and he was loud in his praises. You know there's something about the smoking compartment of a train that seems to make a man open up. I've heard more heart stories and true confessions in those little rooms than Dorothy Dix receives in a week's mail. Maybe it's because everyone knows there's only a slim chance that anybody there will ever meet again. Anyway it's true. And this man, apparently a hard-boiled promoter who had made his own way in the world, finally got around to admitting that he had gone all the way to Callander to see the quintuplets. Now he was going back home to tell the folks about them.

"But those aren't the only quintuplets that are worth a trip up here," he said. "I discovered these too."

He shoved his big hand into his coat pocket and brought out a package of five Bachelors. "These quintuplets taught me something that apparently Canadian men have found out: that it's good to get back to a ten cent cigar!"

And he passed them around.

WILSON'S BACHELOR Cigar
10¢ 100% Havana Filler

WENDIGO'S ORE NOW 60,000 TONS

Company Approves Milling Plans at 50-60 Tons Daily

Indicated ore of about 60,000 tons of a grade of $10 to $12 per ton, gold at $35 per ounce is estimated by officials of Wendigo Gold Mines in the Lake of the Woods district of Northwestern Ontario. This ore, all above the 500-ft. level, is the result of net total expenditure of $142,000. The company has given consideration and approval to milling plans which will provide for an initial daily treatment of between 50 and 60 tons of ore by straight cyanidation.

At this milling rate, indicated ore estimated by the company is sufficient for at least three years' operation. Horace G. Young, vice-president and managing director of the company, states that plans for the new mill are being drawn up by the General Engineering Co. of Salt Lake City. Officials hope to get the new mill in operation in 1935 or early in 1936. Wendigo which owns about 1,040 acres was incorporated under an Ontario charter in 1933.

Gilmour Gold Plans 3 Million Share Co.

R. J. Farquharson, consulting engineer for Gilmour Gold Syndicate in a wire to the head office of the company, Toronto, states that a strong vein, containing free gold was recently located in the shaft at 30 ft. depth during dewatering operations.

In a report prior to the wire, Mr. Farquharson states that dewatering of No. 1 shaft is well under way and that operations underground are being speeded up. Dewatering will continue to the second level.

The No. 1 vein was located in the shaft at a depth of 30 ft. continuing to 85 ft., at which depth the shaft was dewatered at the time of the engineer's report. It is stated that this vein which has a minimum width of 2 ft. has indications of persisting to unknown depths. Additional drills have been ordered, together with other underground equipment. An order has been placed for a Dorr classifier of sufficient capacity for a 100 ton mill and the mill building has been completed. Slashing and sampling underground will proceed as soon as possible, officials state.

A. A. Kenniger, syndicate manager, informs The Financial Post that incorporation of a 3,000,000 share company will take place this month, 2,000,000 shares of which will be issued for all syndicate units under a short-term pooling arrangement, leaving 1,000,000 shares in the treasury, of which an offering of not more than 300,000 shares will be made.

GOLD EAGLE SHAFT DOWN TO 500 FEET LOCATES NEW VEIN

Now Claim Main Vein Proved on Five Levels; New Vein Narrow

A shaft on the property of Gold Eagle Gold Mines adjoining McKenzie Red Lake Gold Mines in the Red Lake area of Northwestern Ontario is now down to a depth of 500 ft. and four levels have been established at 125 ft. intervals. A main vein was encountered on the three lower horizons. No lateral work has yet been done on the 125-ft. level.

As a result of the work done to date, the main vein has been proved on five horizons from the surface to the bottom level.

John W. Shaw, consulting engineer, reports that a crosscut, driven north on the 500-ft. level, a distance of 180 ft. from the shaft encountered a new vein which has no relation to the main vein on the surface. The vein is narrow but shows free gold in places. It has been drifted on for a distance of 120 ft. east and about 25 ft. west of the crosscut.

Seek McKenzie Red Lake Body

In the opinion of Mr. Shaw, the main McKenzie Red Lake shearing should enter Gold Eagle property about 1,000 ft. east of the workings on the 500-ft. level. The company is now driving on the main vein to the east in order to cut the possible intersection of this vein with the McKenzie shearing. The Gold Eagle Gold Mines whose exploration campaign began in the spring of 1934 has an authorized capitalization of $3,000,000 in $1 par value stock. As at May 25, 1935, the total issued stock amounted to 1,671,337 shares of which 1,418,000 were issued for property and are pooled. This pool can be terminated only on the order of Charles St. Paul president and managing director.

In a financial statement as at April 30, 1935, the company showed current assets of $20,104. Total liabilities are shown at $10,168. Since April 30, the company has received $20,000 in cash from the sale of treasury shares and further options outstanding will net the treasury, if fully taken up, an additional $95,000 by September 15, 1935. Shares taken up since April 30, 1935, have netted the treasury 40 cents a share while the options outstanding are for 200 shares, half at 25 cents per share and half at 50 cents per share.

Olga Gas and Oils—has filed with the Toronto Stock Exchange an agreement entered into on May 14, 1935, providing for the purchase of the assets of Producers Gas Corporation Limited for five hundred thousand fully paid shares of its capital stock.